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3 March 1986

NEAR EAST/SOUTH ASIA REPORT

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PAPERS REPORT DEVELOPMENTS IN INDO-PAKISTAN RELATIONS

Confidence Building Effort Described

Madras THE HINDU in English 8 Jan 86 p 9

[Article by G.K. Reddy]

[Text] New Delhi, Jan 7--There will be a flurry of high-level exchanges between India and Pakistan during the next few weeks which could conceivably open the way for a more relaxed bilateral relationship despite the continuing differences on many issues of importance.

The Finance Minister, Mr V.P. Singh, accompanied by the Finance and Commerce Secretaries, Mr S. Venkitaramanan and Mr Prem Kumar, is leaving for Islamabad tomorrow to explore the possibilities of increased trade which could set the pattern for closer contacts between the two peoples.

Two days later the Defence Secretary, Mr S.K. Bhatnagar will head another delegation to discuss how best the two armies could avoid clashes in the disputed Siachen Glacier area without prejudice to their respective positions. He is not going to Pakistan to negotiate the extension of the line of control towards the Karakoram, but work out, if possible, a set of ground rules to avert incidents and thereby effectively freeze the existing situation.

The Foreign Secretary, Mr Romesh Bhandari, goes on January 16 for more discussions on how the two countries should proceed at the political level to build confidence. In the absence of mutual goodwill and trust, a treaty of friendship or a no-war pact will not make much sense since neither side can repose the necessary faith in it.

Confidence-building effort: So the question of merging the two drafts will be tackled later after the two countries have made reasonable progress in this confidence-building effort. Meanwhile, there will be parallel discussions on the maritime boundary question, the opening of new land routes across the border and intensification of economic, scientific and cultural cooperation besides increased trade with the four sub-commissions meeting in Delhi and Islamabad to work out an agreed action programme which would be approved by the joint commission.

The External Affairs Minister, Mr B.R. Bhagat, will be visiting Pakistan next month to attend the meeting of the joint commission, after the right climate has been created through these wide-ranging discussions on various aspects of Indo-Pak relations.

Real hurdle: But the real hurdle to normalisation is the clandestine support that Pakistan continues to provide to the extremists in Punjab in their campaign of terrorism. There can thus be no real improvement in Indo-Pak relations until India is satisfied that Pakistan is no longer aiding and abetting this campaign of violence. The two Foreign Secretaries will be having a candid discussion on this aspect of bilateralism which has strained relations between India and Pakistan.

The Prime Minister, Mr Rajiv Gandhi, has offered to pay a visit to Pakistan by the middle of this year in the earnest hope that this new step-by-step approach to normalisation would lead to a rapid elimination of animosities and frictions. He is also waiting to see how the new semi-civilian Government in Pakistan is going to respond to India's well-meaning offer of friendship and cooperation based on good neighbourliness and mutually beneficial bilateralism.

Though the Army remains in effective control of this semi-civilian regime, there is enough scope for the new Government to make a positive contribution to this process of normalisation by desisting from militant attitudes. The Prime Minister is, therefore, waiting to see how the Pakistan Prime Minister, Mr Mohammed Khan Junejo, and his colleagues are going to conduct themselves during the crucial weeks ahead while the two countries engage in these important exchanges.

Dispute Over Clauses of No-War Pact

Calcutta THE TELEGRAPH in English 11 Jan 86 p 1

[Article by M.J. Akbar]

[Text] Islamabad, Jan 10--There are serious differences of viewpoint on two of the five clauses that constitute the heart of the proposed no-war pact or friendship treaty between India and Pakistan which Prime Minister Rajiv Gandhi and President Zia-ul Haq are expected to sign by April, if all is resolved by them.

The neighbours have agreed on three things: a reaffirmation of their commitment to the principles of the United Nations charter (this was the opening resolve of the Simla agreement too), commitment to the principles of panch sheel, peaceful coexistence and the non-use of force in any dispute, and the active promotion of bilateral cooperation.

What they cannot agree on as yet is whether all differences should be settled only bilaterally, and on whether both countries should give a firm commitment that they will never allow a foreign base on their territory.

India wants Pakistan to give the undertaking that it will not take Kashmir to the United Nations, and that all discussions on the dispute will be only bilateral. Pakistan says that while it has not tried to take the issue to the Security Council after the Simla pact (where it would be vetoed anyway), it cannot forsake its right to mention the problem whenever its foreign minister reviews the nation's environment during his speech to the General Assembly.

The dispute also extends to the interpretation of the Simla accord on this question. India's position is that after agreeing to the line of actual control as the de facto border, and accepting the principle of bilateral settlement of disputes, Pakistan has no right to raise the problem in an international forum any more. Pakistan argues that the opening clause of the Simla agreement--as indeed the proposed no-war pact--is a common commitment to the UN charter. The UN charter specifically allows any member with a problem to take the matter to the UN for a peaceful resolution and allows every nation the right of individual or more significantly, collective self-defence. However, when foreign secretary Romesh Bhandari comes to Islamabad to continue discussions on the disputed clauses some time soon, he will insist that Pakistan clarify the ambiguity in this and give the commitment that even Kashmir will only be a bilateral problem.

Pakistan's case is much weaker on the issue of foreign bases, particularly since it is a member of the non-aligned movement now. Its only argument is the situation in Afghanistan. It must keep its options open, it says, given the possibility that Soviet warplanes could bomb Quetta or Peshawar in their search for Afghan guerrillas. In such an eventuality Pakistan would have to invite the United States Air Force and give it a base from which it could operate.

It is impossible to see how Delhi could buy this argument, since no war-plane faces only one direction. Foreign bases in the region not only goes against every rational defence interest, but introduces a dangerous new element into the arms race--the very thing which a no-war pact would presumably aim to curb. The other reality, of course, is that a friendship treaty would never be possible without a change in the overall international environment. The Americans are extremely keen on such a treaty because it would hopefully ease the threat to Pakistan from across one border--and both Islamabad and Beijing share this perspective. On the other hand, Moscow too has shown signs of being in a mood to resolve the Afghan problem and promote a new climate in South Asia as part of its overall effort to reduce the expensive confrontation with Washington. But flexibility within these parameters is always uncertain, and only a fool would underestimate the volatile domestic pressures that will always surround any such agreement in both India and Pakistan. Between now and the proposed Rajiv-Zia summit lies a hard road. It will require nerve and dexterity to negotiate it. The one hope, however, is that both sides realise that a historic moment has come, and if they lose it, a great opportunity will have been betrayed. As Pakistan's finance minister Dr Mahbubul Haq put it, "If not now, when?" 1996 might be just too far away.

Response to Trade Pact Proposal

Calcutta THE SUNDAY STATESMAN in English 12 Jan 86 p 1

[Text] New Delhi, Jan 11--Pakistan has responded favourably to India's proposal for a long-term trade agreement between the two countries, the Finance Minister, Mr Vishwanath Pratap Singh, said here today. He said such an arrangement could take place during Mr Rajiv Gandhi's visit to Pakistan later this year. Mr Singh returned here early this morning after a three-day visit to Pakistan.

Mr Singh said his discussions with Pakistan's Finance Minister, Dr Mahabubul Haq were "positive" pointing out that a major gain was the opening up of trade by Pakistan to its private sector.

The Finance Minister, who explained his agreed minutes with Dr Mahabubul Haq said that Pakistan was further considering 200 to 300 items for private sector trade with India. Pakistan had agreed to open 42 items for direct import from India by its private sector. Pakistan would set up a committee to finalize within a month additional items for private sector trade.

More significantly, Pakistan appeared to be committing itself to move towards a non-discriminatory trade regime. This would be done in a phased manner. In sum, Pakistan agreed to conduct trade with India in conformity with the "commitments, obligations and safeguards under the General Agreement in Tariff and Trade." This augured well for the private sector trade between the two countries. Indeed, Mr Singh said, Pakistani businessmen in Karachi seemed interested in the opening of trade.

Official Committee

The Finance Minister said a committee of officials would be set up by the two countries for follow-up action on the agreement reached. The committee would meet next month. He said he had sought to remove the fears of Pakistan's business community that open trade with India would adversely affect the indigenous industry. Under the GATT rules, every country had the right to protect its industry and India would not object to steps by Pakistan in this regard, he said.

Mr Singh said Pakistan could buy from India iron ore, wheat and pesticides. Pakistan could sell its fertilizer. On the question of promoting joint ventures, Mr Singh said that the organizations of commerce and industry in the two countries would set up a joint business committee to work out details. Representatives of the two Governments would meet to frame guidelines for having joint sector projects.

On the infrastructure side, the agreements reached were establishment of direct dialing between the two countries before the end of 1985, expansion of telex facilities on the Amritsar-Lahore route, increasing the frequency of existing air services and introduction of wide-bodied aircraft.

Major trade and industry organizations here today welcomed the "breakthrough" in bilateral trade between India and Pakistan.

Mr V.P. Punj, president of the Federation of Indian Export Organizations said that the resumption of private trade between the two countries was very significant and would greatly help grow trade between them.

The FIEO president noted with satisfaction Pakistan's promise to appoint a committee to expand the list of items which was bound to boost economic relations. India produced a large variety of other items, besides those which had been listed in this agreement.

He said the decision to set up a joint committee of the chambers of commerce of the two countries to explore the possibility of joint ventures was another welcome step which would help in bringing their private sectors close to each other and identify items for mutual trade. Mr Punj felt that a positive step towards liberalization would be the opening of Waghs border for this trade.

The president of the PHD Chamber of Commerce and Industry, Mr Shiv Raj Gupta, said there was immense potential for Indo-Pakistani trade and scope for cooperation in the fields of joint ventures, joint tendering and third country exports.

Describing the accord as a bold step in reviving the much desired yet stagnant economic and trade ties between the two neighbours, the chairman of the Chamber's Indo-Pakistani business committee, Mr H.P. Nanda, suggested signing of protocols every year between the two governments, specifying the volume of business.

UNI adds: In an official release today, the Government clarified that India and Pakistan had not signed a memorandum of understanding or protocol, but an "agreed record of discussions."

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CSO: 4600/1388

PAPERS REPORT DEVELOPMENTS IN TAMIL SITUATION

Rajiv to Reporter

Madras THE HINDU in English 8 Jan 86 p 1

[Text] Madras, Jan 7--The Prime Minister, Mr Rajiv Gandhi, today reiterated India's desire that conditions in Sri Lanka should return to normal as early as possible so that the refugees who had come over here would go back with honour and security, resume their normal work and live in peace.

Talking to a representative of THE HINDU at the airport before his departure to Delhi at the conclusion of his brief visit to the City, he said: "We believe that a military solution (to the ethnic problem in Sri Lanka) is not a feasible solution and it has got to be a political solution. We hope the parties involved will look at it this way and come to a settlement."

Problem of stateless persons

Asked about his recent statement that India would not be able to receive the Stateless persons of Indian origin until normality was restored in the island and the Tamil refugees here went back to Sri Lanka, Mr Gandhi nodded his head, and remarked that the leader of the Ceylon Workers Congress and Sri Lankan Minister for Rural Industrial Development, Mr S. Thondaman would shortly meet him and discuss with him the problem of the Stateless people.

(Mr Thondaman, who left for Delhi along with the Prime Minister, was expected to discuss with Mr Rajiv Gandhi, on board the aircraft, the Sri Lanka ethnic problem with particular reference to the people of Indian origin).

The Prime Minister did not agree with a recent suggestion of the Lok Dal leader, Dr Subramaniam Swamy, that India should extend support to the militants to check the violence by security forces if the Sri Lankan Government did not arrive at a settlement within a prescribed time. Stating that India was helping both the sides to reach a settlement, he said: "We have been able to save a large number of lives over the past few months and if we have not helped in getting the two sides together, very many people--Tamils and Sinhalese--would have died," he said, adding that "only because of our intervention and involvement so many lives have been saved."

The two Tamil members, Mr Sivathambi and Mr Sivapalan, had been rendered ineffective and were forced to resign from the committee following an aerial attack on one of them by the security forces while the other had received threats, he added.

The ENLF will meet here soon to discuss the situation and the Indian government would later be briefed on its stand regarding the truce and the monitoring panel.

The spokesman of another ENLF constituent, the Liberation Tigers of Tamil Eelam (LTTE), Mr V. Thilakar, said the truce accord had broken down and steps would be taken to protect the lives and property of the island's Tamils.

The cease-fire agreement had ceased to exist even on paper, as far as the LTTE was concerned, following blatant violations by the security forces, he said.

The Tamil United Liberation Front (TULF) politburo, in a statement here, said the resignations of the Tamil nominees had established that only an international body could effectively monitor the truce.

The bomb attack on committee members in Trincomalee and the recent army firing near the place of inquiry in Jaffna in which 13 persons were killed, showed that the Tamils were not in a position to depose fearlessly before the panel, it added.

UNI reports that Organisation for the Protection of Tamils of Eelam from Genocide (PROTEG) today called for an international panel for monitoring the cease-fire in Sri Lanka to "save the island's Tamils from genocide."

A PROTEG press release in Madras alleged that with the two Tamil members of the existing panel resigning, the large-scale massacre of Tamils in the island would take place with renewed venom and intensity.

Trivandrum (UNI): The Union government should seek the assistance of the United Nations and the International Red Cross to provide all help to the nearly one lakh Tamil refugees accommodated in temples and churches in Sri Lanka, the Tamil Nadu Kamaraj Congress president, Mr P. Nedumaran, said on Sunday.

Mr Nedumaran who made a three-week tour of the affected areas in Sri Lanka with the help of the Liberation Tigers in October last, told newsmen that the indiscriminate killing and persecution of Tamils by the army was continuing despite the cease-fire announced on June 18.

Between June and October over 2,000 Tamils were killed, 5,000 jailed and about 1,00,000 rendered homeless, he added.

Asked about the Tamil Nadu Government's request to the Centre to persuade the Karnataka Government to release some more water in the Cauvery to save the standing crops in the delta, the Prime Minister said the Chief Minister, Mr M.G. Ramachandran had also given him a written representation in this connection. "I will try to talk to Mr Ramakrishna Hegde and see what we can do," he said. He pointed out that Karnataka was also in a bad position with a severe drought and said he would look into both the positive and negative aspects and see what he could do in the matter.

No change in stand

On the language issue, Mr Gandhi said: "We stand by the three-language formula and there is no change."

Before boarding the aircraft, Mr Rajiv Gandhi conveyed the Pongal greetings to the people of Tamil Nadu.

Earlier, the Chief Minister met the Prime Minister at the airport and presented him a memorandum on behalf of the State Government detailing the precarious storage position in the Mettur reservoir and requesting the Prime Minister to use his good offices to persuade the Karnataka Chief Minister to release at least 10 tmcft of water immediately to save the standing crops over an extent of 3.6-lakh hectares in the delta.

ENLF Spokesman

Bombay THE TIMES OF INDIA in English 13 Jan 86 p 1

[Text] Madras, January 12 (PTI)--Two Sri Lankan Tamil militant organisations, constituents of the four-group Eelam National Liberation Front (ENLF) today said the cease-fire agreement with the island government was 'off' and they would take 'defensive action' to protect the Tamils from army attacks.

Mr V. Balakumar, spokesman of the Eelam Revolutionary Organisation (EROS) told PTI here that the three-month-old second round of the truce had expired as far as the group was concerned with army atrocities continuing and the cease-fire monitoring committee being blatantly 'pro-government.'

With the resignation of the only two 'independent' members (the ENLF's Tamil nominees) from the committee, the Sri Lanka president, Mr J.R. Jayewardene should immediately disband the panel, he said.

Mr Balakumar said the first truce agreement from June 18 was itself a failure but the second from October 10 was worse in the absence of clear-cut conditions.

The committee had failed to prevent or expose army attacks and had not adopted the terms of reference which were agreed to by the militants' leaders following talks with the Indian foreign secretary, Mr Romesh Bhandari, he said.

Nagapattinam (PTI): The subdivisional judicial magistrate here has issued a warrant for the arrest of 24 Sri Lankan Tamils, nine of whom belong to the Tamil Eelam Army.

They were earlier arrested and released on bail in connection with the rioting in Vedaranyam on December 30.

The present warrant was issued since the youths, who were wanted for further investigation, were found to have absconded.

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CSO: 4600/1366

DELHI TRIES TO GET CONCESSIONS FROM JAYEWARDENE

Madras THE HINDU in English 14 Jan 86 p 1

[Article by G.K. Reddy]

[Text] New Delhi, Jan 13--A sustained effort is being made behind the scenes to nudge the Sri Lankan President, Mr J.R. Jayewardene, to agree to a greater devolution of powers to the Northern and Eastern provinces in respect of law and order, land settlement, education and other allied subject to accommodate Tamil opinion.

The Sri Lankan President has been resisting the Indian pleas for more autonomy for the provinces with one excuse or the other, but making some symbolic concessions to improve his proposals marginally by accepting some of the Tamil United Liberation Front (TULF) suggestions with certain reservations.

At one stage, Mr Jayewardene told the Government of India that, except for the demand for a merger of the Northern and Eastern provinces which was totally unacceptable to him, he was prepared to concede the substance of the TULF demands for more powers to the provincial executives in regard to the delegated subjects. But, on a closer scrutiny, the Indian experts have found that he was still continuing to hedge on all substantive issues while maintaining that the provinces would have more or less the same sort of legislative and administrative jurisdiction as the Indian States.

So, the latest Indian reaction to the dilatory tactics of Mr Jayewardene, who has been stepping up the military operations against the Tamil militants, is one of dismay and exasperation, if not of resentment and annoyance. The impression in Delhi is that the Sri Lankan President is not really serious about an early settlement, although he continues to assure all concerned that he is giving serious thought to the TULF proposals which India regards as quite reasonable in the present circumstances.

As an indication of its disappointment, the Government of India is in no great hurry to send the Foreign Secretary, Mr Romesh Bhandari, to Colombo in response to Mr Jayewardene's call for further talks on the Tamil problem.

It has been made amply clear to him that no useful purpose would be served by Mr Bhandari's visit at this stage if the Sri Lankan Government is not prepared to adopt a more conciliatory attitude.

The Government of India appreciates Mr Jayewardene's difficulties, but it is not prepared to take upon itself the task of persuading the Tamil leaders to water down their demands unless the Sri Lankan President is ready to make some meaningful concessions. The present inclination in Delhi is to carry on this ding-dong exercise through diplomatic channels without arousing any great expectations, instead of sending the Foreign Secretary to Colombo and creating a misleading impression that some progress was being made in evolving a compromise formula acceptable to both sides.

The earlier idea of arranging a meeting in Delhi between the Sri Lankan Minister for National Security, Mr Lalith Athulathmudali, and the TULF leaders is being held in abeyance, pending the outcome of these diplomatic efforts. And in any case it is highly unlikely that Mr Bhandari will be sent to Colombo until Mr Jayewardene has spelt out more precisely how far he would be prepared to go to make it possible for the Tamil leaders to agree to a compromise solution within the framework of a single Sri Lankan State.

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CSO: 4600/1372

INDIA CONCERNED OVER OPERATIONS AGAINST TAMILS

Madras THE HINDU in English 19 Jan 86 p 1

[Article by G.K. Reddy]

[Text] New Delhi, Jan 18--An informal, unpublicised exchange of views has been taking place in Colombo with Mr Neelam Tiruchelvam, a moderate Tamil leader, playing the role of an honest broker for establishing enough common ground between the Sri Lankan offer of limited devolution and the TULF proposals for greater autonomy, before India resumes its mediatory efforts for a resumption of direct talks on the Tamil problem.

As a confidant and close associate of the TULF leaders, Mr Tiruchelvam commands enough respect in Sri Lankan Government circles to qualify for performing this exploratory role behind the scenes without arousing undue expectations on either side.

A distinguished lawyer who has been actively involved over the years in the ethnic politics of the island, Mr Tiruchelvam has been discussing with leading personalities in the Jayewardene Government the scope of the TULF proposals, especially issues like law and order, land settlement and other powers of the proposed provincial executives, to narrow down the differences and establish a reasonable basis for substantive talks on these subjects.

Though the Indian High Commissioner in Colombo, Mr J.N. Dixit, has been keeping the Government fully informed of Mr Tiruchelvam's efforts, he has been taking due care to avoid the impression of any Indian participation in these exchanges. The current Indian policy is not to send the Foreign Secretary, Mr Romesh Bhandari, to Colombo until the Sri Lankan Government has indicated its readiness to go a few steps further to accommodate Tamil opinion on some of the basic issues of devolution.

Worrying development: The expectation in Delhi is that Mr Tiruchelvam would be able to obtain the necessary clarifications that would enable Mr Bhandari to go to Colombo by the end of this month or early next month depending on other developments. What is worrying the Prime Minister, Mr Rajiv Gandhi, and his advisers is the reported intensification of military operations by the Sri Lankan Government against the Tamil militants while it professes its readiness to engage in a meaningful dialogue with them by utilising India's good offices.

The promises that have been made privately by the Sri Lankan President, Mr J.R. Jayewardene, for enlarging the scope of devolution are so hedged in which reservations that there is serious doubt in high government circles in Delhi whether he would go far enough to enable the TULF leaders to seek a negotiated settlement without any political embarrassment to themselves. It is this continuing absence of confidence that is proving to be a big hurdle, much more than the tardy Sri Lankan Government response to the TULF proposals, to the resumption of India's mediatory efforts for finding an equitable solution to this tragic problem.

India is also waiting to see whether Mr Jayewardene will display the necessary resolve in dealing with the criticisms of the Buddhist hardliners who are opposing the commitment to grant citizenship to 94,000 stateless Tamils of Indian origin. In effectively delinking this issue from the much more important question of securing autonomy for the Tamil majority regions, India has done whatever it could to strengthen Mr Jayewardene's hands in concentrating his efforts on finding an early solution to the main ethnic problem.

AFP, Reuter report:

Sri Lankan troops have killed the area leader of the Liberation Tigers of Tamil Eelam (LTTE) and two of his associates in a raid on a hideout in Uttarapuram in northern Kilinochchi, the National Security Minister, Mr Lalith Athulathmudali said today.

Three members of the security forces were killed in two separate incidents yesterday in the Trincomoles district. Two soldiers were killed and three wounded when Tamil militants blew up their vehicle with a landmine near Dehiwatte.

12 soldiers die in ambush

Madras, Jan 18--The Liberation Tigers of Tamil Eelam today said that its assault units "repulsed" an Army ambush at Nayaruvelli in Mannar district yesterday, killing 12 Sri Lankan soldiers and wounding several others. An LTTE press release said the battle lasted more than two hours, and Sri Lankan helicopter gunships were involved.

The Eelam Revolutionary Organisation said the Sri Lanka Government had opened two Army camps in the plantation areas at Radalia and Dikoya. Both were situated on playing grounds. EROS members repulsed an Army attack at Elalai in Jaffna district yesterday, it said.

Meanwhile, the ENLF said none of its four constituents--LTTE, EROS, TELO or EPRLF--was involved in the robbery at Bangalore.

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CSO: 4600/1381

ANALYST NOTES ACCORD WITH SRI LANKA ON STATELESS TAMILS

Madras THE HINDU in English 16 Jan 86 p 1

[Article by G.K. Reddy]

[Text] New Delhi, Jan 15--An understanding has been reached by India and Sri Lanka on the thorny issue of the status of the remaining stateless Tamils of Indian origin on the island. Thus, one of the major problems in Indo-Sri Lankan relations will be eliminated, if the accord is faithfully implemented by the Jayewardene Government.

The Government of India has agreed to take back all those who opted for Indian citizenship before the extended expiry date of October 30, 1981 for repatriation, if Sri Lanka takes simultaneous steps to grant citizenship to the remaining stateless Tamils who have not exercised this option, for whatever reason.

Liability will decrease

The accord commits India to processing the pending applications and conferring Indian citizenship on approximately 85,000 people, six to eight months after Sri Lanka enacts legislation and takes executive action to grant citizenship to all remaining Tamils of Indian origin. There are about 84,000, according to the latest estimates.

This will effectively increase the Sri Lankan liability to confer citizenship on 4,69,000 stateless persons, including those already given this status under the Shastri-Sirimavo agreement. India's overall responsibility correspondingly decreases to some extent.

The Shastri-Sirimavo agreement, signed in October 1964, provided for the repatriation to India of 5,25,000 persons and the grant of Sri Lankan citizenship to 300,000 out of nearly one million stateless Tamils of Indian origin. The fate of the remaining 150,000 was left to be settled in due course, in the light of how the two countries implemented this agreement.

When Indira Gandhi and Mrs Bandaranaike reviewed the agreement in 1974 they decided to split these 150,000 equally between the two countries,

which meant that the Indian liability increased to 600,000, while Sri Lanka agreed to grant citizenship to 375,000, along with the natural increases that had taken place among the two categories.

No reliable figures

The 15-year time-frame provided for in the implementation of the Shastri-Sirimavo agreement expired in 1979, but it was extended by two years to help the two sides clear the heavy backlog of applications. There are no reliable figures of the number of repatriated to India, or of how many were granted Sri Lankan citizenship since the two countries have continued to question the veracity of each other's estimates.

An official spokesman said today that the Government of India remained committed to granting citizenship to those Tamils of Indian origin who applied for it before October 30, 1981 and, according to him, the number of such applicants is approximately 85,000. But those who applied earlier and were granted Indian citizenship and have been availing themselves of repatriation come under a different category and their status is not in question.

According to the Government of India's estimates, as stated by the official spokesman, the overall Sri Lankan liability in terms of the latest accord would entail the acceptance of 469,000 Tamils of Indian origin as its citizens, along with their natural increase.

Rajiv's remark misconstrued

The Indian High Commissioner in Colombo, Mr J.N. Dixit, negotiated the latest accord with the Sri Lankan Minister for National Security, Mr Lalith Athulathmudali, and the Minister for Rural Industrial Development, Mr S. Thondaman, who is the leader of these stateless Tamils. During his recent visit to Bombay and Delhi, Mr Thondaman met the Prime Minister, Mr Rajiv Gandhi, and urged him to settle the problem.

The Prime Minister recently said stateless Tamils who had been given Indian citizenship and were availing of repatriation could not be taken back until the Tamil refugees in India went back after a settlement of the ethnic problem. This observation was misunderstood and misinterpreted in Sri Lanka to give a political twist to it, as though India was going back on its solemn commitment.

The latest accord will help clear up this misunderstanding. It will also help maintain a proper distinction between this problem of stateless Tamils and the fight of the Sri Lankan Tamils for their legitimate rights.

PTI reports: The Sri Lanka Government today issued a statement announcing its decision to confer citizenship on the residual stateless Tamils of Indian origin.

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CSO: 4600/1391

PAPER REPORTS ON MEETING ON SIACHEN GLACIER ISSUE

Bombay THE TIMES OF INDIA in English 13 Jan 86 p 1

[Article by V.T. Joshi]

[Text] Islamabad, January 12--Talks between the Indian and Pakistani delegations on the thorny Siachen glacier issue ended here today with an agreement to meet again in New Delhi by March-end or April.

A spokesman stressed that the talks were held in "a frank and cordial atmosphere" and that there was a greater appreciation of each other's "perceptions."

The second round of talks lasted two hours today. It was a continuation of yesterday's discussions, interspersed by the Indian delegation's formal call on President Zia-ul-Haq. He was reported to have wished success for the deliberations.

The defence secretaries who led their respective sides expressed determination of their governments to seek a peaceful and negotiated settlement of the Siachen problem in accordance with the spirit of the Simla agreement of 1972. Last year there were armed clashes in the Siachen region.

The talks were in pursuance of a decision taken at the Delhi meeting of President Zia and the Prime Minister, Mr Rajiv Gandhi, in December.

The Indian side was led by the secretary, Mr S.K. Bhatnagar, and included the ambassador here. Mr S.K. Singh, Lt-Gen P.K. Hoon, director-general military operations, and Mr S.K. Lamba, joint secretary in the external affairs ministry. The Pakistan side was led by the secretary, Syed Ijlal Haider Zaidi, and included its ambassador in Delhi, Dr Humayun Khan, Maj-Gen Raja Mohammad Iqbal and Mr Abdus Sattar, additional secretary in the foreign ministry.

The government-controlled "Pakistan Times" has described the Siachen issue as "a test for Indo-Pak relations."

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CSO: 4600/1366

SIKKIM MINISTER REPORTS SECESSIONIST MOVEMENT SMASHED

Bombay THE TIMES OF INDIA in English 17 Jan 86 p 1

[Text] New Delhi, January 16--The Sikkim chief minister, Mr Narbahadur Bhandari, has reported to the Centre the smashing of a budding secessionist movement in his state with the arrest of four members of the Naya Sikkim Party under the NSA.

The party, whose aim is to undo the merger of Sikkim with India, had become active recently. It has established links with foreign sources in Kathmandu and was reported to be receiving financial assistance.

Two of the four party leaders arrested were among a group which visited Kathmandu recently. The party members belong to all ethnic groups in the state--the Nepalese, Lepchas and Bhotias.

Through a series of public meetings held throughout the state, the leaders propagated the idea of holding a referendum on the issue of merger. They alleged that the merger of 1975 was not legal, that it had not been recognised by neighbouring China and that the issue could be raised at the United Nations.

Sonam Yongda, who started the movement, was formerly a captain of the Sikkim Guards, the personal army of the Chogyal. The movement is said to be patronised by those who enjoyed power and authority during the Chogyal regime.

The party set up a candidate, Mr Bishnu Kumar, in the 1984 Lok Sabha elections but polled only 1,717 votes. It was routed in the assembly elections.

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CSO: 4600/1377

INDIAN PRESS LEADER INTERVIEWS AFGHAN PARTY SECRETARY

New Delhi PATRIOT in English 6 Jan 86 p 5

[Text] Mr Mahmood Barialai, secretary of the ruling Peoples' Democratic Party of Afghanistan (PDPA), on a visit to India on invitation from AICC, has set out the conditions for substantial talks on the withdrawal of Soviet troops from Afghanistan.

In an exclusive interview in Delhi to the India Press Agency (IPA), Mr Barialai explained Kabul's stand on the question of international guarantees of non-interference in the internal affairs of Afghanistan which the Karmal government has been insisting upon.

During Mr Barialai's stay in the Capital, a protocol was signed for cooperation between the Indian National Congress and the PDPA. AICC General Secretary R L Bhatia signed the protocol on behalf of the Congress, while Mr Barialai signed on behalf of the PDPA.

Referring to the deadlock in the "proximity talks" at Geneva for evolving a political solution, Mr Barialai said it was not correct to say that the deadlock was over the question of withdrawal of Soviet troops. Afghanistan was always prepared, he said, to discuss the withdrawal of the limited Soviet contingents provided "adequate guarantees are given about non-interference in our internal affairs".

What would constitute adequate guarantees? In response to this question Mr Barialai mentioned five specific conditions. First, the 100 training camps for rebels along the Pak-Afghani border being run with the help of US

and Chinese advisers should be immediately dissolved. Secondly, the supply of arms and ammunition for anti-Kabul rebels and saboteurs should be stopped. Thirdly, an official delegation from Afghanistan should be permitted to visit the refugee camps in Pakistan to ascertain the number of refugees and persuade them to return home.

The fourth stipulation by Mr Barialai was that all the Afghan refugees who want to return to their country should be allowed to do so without any hindrance. Mr Barialai claimed that the refugees were forcibly prevented by Islamabad from returning because keeping the issue alive has become a vested interest of the ruling junta in Pakistan.

In addition to these five points, Kabul would like to have direct talks with Islamabad on the question of withdrawal of the troops. Non-recognition of the Karmal government is by itself, Mr Barialai said, an act of interference in our internal affairs. "It is direct instigation that people should revolt against the government," he said. He also wanted that anti-Afghanistan propaganda through Pakistani media should be stopped.

While stating this, Mr Barialai repeatedly asserted that the other side has been vaguely talking of non-intervention and non-interference whereas the DPA government has put specific charges and conditions. "We have facts to support our case", he emphasised. "They have only rhetoric and demagoguery".

Mr Mahmood Barialai was in India leading the PDPA fraternal delegation to the Congress Centenary sessions in Bombay. During the visit he had wideranging discussions with the Prime Minister Rajiv Gandhi, External Affairs Minister B R Bhagat, other government and party leaders.

CPI-M LEADER SAYS CPI VIOLATING AGREEMENT

Bombay THE TIMES OF INDIA in English 7 Jan 86 p 7

[Text] Mr. E. M. S. Namboodiripad, CPM general secretary, has said the tirade launched by CPI leaders against the Marxists through party journals and other media violated the joint statement of the two parties in May last, in which they declared their intention to foster united action on problems affecting the people.

According to him, the "ceaseless talk" by CPI leaders about the need for merger of the two parties or "Communist reunification" is merely a "cover" for carrying out such attacks.

In a signed article in the CPM organ "Deshabhimani", Mr. Namboodiripad particularly decried criticism based on what he described as the "anti-Chani" attitude. This, he says, is ironical in view of the thaw in Sino-Soviet relations and the move by the CPI and the Communist Party of China towards co-operation.

He asserted that the Marxist stand on Sino-Indian conflict had been indicated by its acceptance by almost all parties and the Congress Government's efforts to settle the border problem through negotiations.

Poll Tie-Up

Mr. Namboodiripad also criticised the CPI for failing to reach an understanding with his party during the recent Assam elections, contending that it indirectly helped improve the Congress tally. The Marxists bagged two seats and came second in seven or eight constituencies while, the CPI drew a blank in Assam.

On the CPI leaders' continuing emphasis on reunification of the Communists, he pointed out that apart from the factors which led to a split in 1964, there were differences on problems that both parties now had to tackle.

The CPM leader felt the need of the hour was for the two parties to organise joint action and the all-India co-ordination committee set up for the purpose, which had remained dormant, should be activated. He regretted that the committee set up nearly two years ago, with Mr. Rajeswara Rao as convener, to build up a new peace movement with the support of mass organisations and opposition parties had not met even once.

ANALYST TELLS FOCUS OF POLICY DISCUSSIONS

Madras THE HINDU in English 10 Jan 86 p 9

[Article by G. K. Reddy]

[Text] The focus of activity at the higher levels of Government at the Centre is now shifting from glamorous foreign policy pursuits to the more mundane domestic issues, with Punjab causing renewed concern, but economic issues attracting greater attention.

It is not without significance that India, in its capacity as current chairman of the non-aligned movement, has not so far reacted to the U.S. call for an international economic boycott of Libya, despite mounting pressures from the Arab countries for an outright condemnation of Mr. Reagan's implied threats of military action.

The Prime Minister, Mr. Rajiv Gandhi, and his advisers have spent the last two days discussing what to do with mounting food stocks, wondering whether a part of the surplus could be used for payment in grain, for work programmes to generate rural employment. The Government is also debating whether a routine hike in procurement and issue prices will provide the necessary relief to farmers to maintain the present level of productivity which would add further to the present food reserves if no imaginative steps are taken to utilise them more usefully for the good of the nation.

Modern technology to solve problems: Amidst these discussions on the agricultural situation, Mr. Gandhi has found time to consult a large number of administrators and scientists on the application of modern technology to the country's development. He is thinking of setting up four or five groups to plan, monitor and encourage the use of the latest scientific methods to tackle India's age-old problems.

The Prime Minister's well-meaning endeavours to provide a technological thrust to developmental programmes has, no doubt, been well received by the people, but he has not been able to gear the creaky machinery of Government to provide the necessary administrative drive for these ambitious efforts. He has been trying to establish a rapport with the scientific community, but the bureaucrats and technocrats continue to pull in different directions.

Considering reorganisation: It is for this reason that Mr. Gandhi has been thinking of drastic reorganisation of the scientific establishment, without threatening to administer a shock treatment to the existing institutions. His relationship with the scientific community is by and large much better than with the bureaucracy, of which he has been highly critical at times.

For example, there is a new awareness in high government circles that something should be done, soon, to make the country self-sufficient in oilseeds, to end the big drain of foreign exchange on edible oil import. But what is important is that Mr. Gandhi is turning more and more to the scientists, instead of relying primarily on officials, to evolve the necessary strategy of monetary incentives to farmers and better marketing procedures to restrict undue profiteering at the middle levels of the distribution system.

The coordination cell in the Cabinet Secretariat has been doing some good work in pin-pointing bottlenecks and providing guidelines to the State Governments on what needs to be done to streamline procedures to encourage higher production. But the economic administration at the Centre is still too compartmentalised with too many Ministries functioning as autonomous companies, which are not easily amenable to inter-governmental discipline in the absence of firm policy guidelines from the head of the Government.

Not easy: An over-worked Prime Minister wanting to do too many things all at once is unfortunately left with little time to concentrate on the higher direction of Government. A good many decisions are taken quite quickly these days within an instinctive judgment of what is good for the country, but many more get deferred for want of expert advice with the necessary depth of knowledge. It is not therefore surprising that Mr. Rajiv Gandhi is not finding it easy to infuse the new centenary spirit into his party or the Government in this atmosphere of cross-purpose and inaction. The agonising process of rediscovery to regain the lost zeal for public service is not generating enough momentum at any level for helping him to carry forward his crusade for regeneration.

The result is that with all his passion for a new technological approach to the country's age-old problem of poverty and privation the young Prime Minister is finding it increasingly difficult to galvanise the lethargic administration to rise to the occasion. And he is often left ploughing a lonely furrow with no matching contribution from others except a few at the Centre for infusing greater dynamism into the Government.

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CSO: 4600/1361

PRESS REPORTS REACTION TO U.S.-LIBYAN CRISIS

Indian Policy Explained

Madras THE HINDU in English 12 Jan 86 p 1

[Article by G.K. Reddy]

[Text] New Delhi, Jan 11--The Arab ambassadors in Delhi have asked for an urgent meeting on Monday with the Minister of State for External Affairs, Mr K.R. Narayanan, in the absence of the Foreign Minister, Mr B.R. Bhagat, who is away in Teheran, to voice their collective concern over the American threat of military action against Libya and press for India's support in mobilising international opinion against it.

Though the Foreign Ministers of the Islamic conference have strongly opposed the U.S. President, Mr Reagan's call for a worldwide economic boycott of the Qadhafi regime, none of the big Arab countries like Algeria, Egypt, Iraq, Saudi Arabia and Syria has so far come forward with an outright condemnation of the American action.

Disappointment: But they all expect India, as current Chairman of the non-aligned movement, to take the lead in denouncing the American policy of holding Libya solely responsible for the latest wave of international terrorism, especially the recent attacks at Vienna and Rome airports. They have been voicing privately their disappointment over India's cautious reaction and refusal to accuse the U.S. of intimidation of a fellow non-aligned nation.

The Government of India is expected to make its views known in the form of a reply to the joint Arab representation when the Ambassadors call on the Minister of State on Monday to urge India to adopt a more outspoken attitude. For the time being, however, the official circles in Delhi have been maintaining that the Government was "closely watching" the situation.

India pragmatic: The present Indian policy is not to condone the U.S. call for economic sanctions or threat of military action against Libya, but not condemn only one side for this unfortunate development to the point of exonerating the Qadhafi regime altogether of the charge of aiding and abetting terrorism. It represents a significant departure from the earlier

tendency of automatically criticising such U.S. actions or giving the benefit of doubt to the Soviet Union in similar situations.

The Libyan Foreign Minister, Mr Ali Abdessalam Triki has sent a personal message to the Prime Minister, Mr Rajiv Gandhi, through his Ambassador in Delhi seeking India's moral support to his country in facing this threat. But the other Arab countries do not seem to share the Libyan fear that U.S. military action was imminent, since they feel that Mr Reagan had already been effectively restrained by the reluctance of even his Western allies to go the whole hog in this attempt to liquidate the Qadhafi regime under the guise of destroying the training camps and command centres in Libya of PLO terrorism.

The External Affairs Ministry has been working on a carefully worded draft statement for the Prime Minister's approval before it is issued on Monday after the Arab envoys have met the Minister of State. The diplomatic community in Delhi is waiting to analyse the nuance and shades to discuss any change in India's stance.

Response to Arab Envoys

Calcutta THE STATESMAN in English 14 Jan 86 p 9

[Text] New Delhi, Jan 13--India has expressed grave concern over the development centering around Libya since it has raised tensions within the region and is not conducive to international peace and stability.

A spokesman of the External Affairs Ministry said here today that this response by India was conveyed by the Minister of State for External Affairs, Mr K.R. Narayanan, when a delegation of Ambassadors from some of the Arab States in the capital called on him to express their anxiety at the threats about possible use of force against Libya.

Besides voicing concern, Mr Narayanan, the spokesman said, had also expressed the hope that no precipitate action would be taken since situations of this kind were best resolved through dialogue and not through pressure.

According to a Press release from the League of Arab States mission in New Delhi, Mr Narayanan told the Ambassadors that India had always stood by the Arabs and supported the Arab cause. India also rejected any threat to the sovereignty of any State, Mr Narayanan said.

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CSO: 4600/1387

REPORTAGE ON INDO-IRANIAN COMMISSION MEETING

Indian Offer, Discussion Subjects

New Delhi PATRIOT in English 11 Jan 86 p 2

[Text]

Teheran, Jan 10 (UNI) —

Iran has accepted in principle an Indian offer to assist it in setting up small scale industries, road and railway construction and various employment oriented rural development programmes.

External Affairs Secretary, Narendra Jain, who is leading the high-level official Indian delegation at the Indo-Iranian joint Commission talks here, told newsmen today that details of the assistance were being worked out. Both the sides were keen on "performance-oriented ties", he added.

Iranian sources said although Iran's war with Iraq was continuing, the country's leadership was keen for development of those projects which boosted the rural economy and generated jobs. It was with this in mind that the Iranian Majlis (Parliament) approved the country's first post-revolution five-year plan only three days ago.

Although no details of the plan were available, Industries Minister Gholamreza Shafei announced this week that 35 projects costing over two billion dollars. Had been prepared in various fields. These would generate 12,000 jobs.

He said the Cabinet had allocated \$ 2.5 billion to his ministry for urgent reduction needs in the current fiscal plan which began in March last year.

The Ministry had so far implemented, since the revolution, 36 large industrial projects in textiles, foods, chemicals, medicines and cement. Twenty three projects were at hand worth \$ 300 million.

The Indian side has brought with it about 50 project profiles for joint ventures.

Mr Jain said both he, and his Iranian counterpart Deputy Minister Lari Jani, agreed at the outset that "the approach towards cooperation should be steady and also that it should set up a durable trend".

He said discussion on all the three subjects on the agenda, namely, industrial cooperation, cultural, scientific and technical cooperation, and trade, would be completed at the official level today.

Finishing touches would be given when the ministerial level talks start tomorrow, co-chaired by External Affairs Minister B R Bhagat and Iranian Foreign Minister Ali Akbar Velayati. Mr Bhagat is due to arrive later today.

Mr Jain said once the agreement was signed, Iran could be a big market for Indian construction industry. Companies like the Engineering Projects India (EPI) and several others in the private sector, as well as the Indian Rail-

ways Construction Organisation (IRCON) had done commendable work outside the country.

All these could find new markets in Iran, he observed.

Mr Jain said two Deputy Foreign Ministers of Iran, Mr Besharti and Mr Shaikh Ul Islam had told him yesterday that the Iranian leadership was impressed with India's strides in industry with its self-reliant approach, and that it was in this perspective that Iran wanted to gain from the Indian experience.

After the Islamic revolution in 1979, India was the first country with which Iran set up the joint commission.

Both the countries have vast rural economies and similar conditions. India could offer appropriate technology at competitive rates.

For instance, Mr Jain said, India could not only supply Iran with textiles but also with textile machinery and a number of agro-industrial items.

On the political relations, Mr Jain said the Iranian leadership appreciated India's recent gestures in strengthening relations with its neighbours in South Asia, particularly Pakistan.

He also apprised the two ministers, he met yesterday, about India's efforts in world peace, disarmament and the six-nation moves for a nuclear weapon-free world.

On oil, Mr Jain said "India has been a traditional buyer of this commodity from this region and would continue to be so".

Report on Opening Session

New Delhi PATRIOT in English 13 Jan 86 p 7

[Text]

Teheran, Jan 12 (UNI) — External Affairs Minister B R Bhagat and Iranian Foreign Minister Ali Akbar Velayati today expressed optimism that bilateral economic relations between the two countries would be strengthened on a long-term basis.

Addressing the opening session of the ministerial level meeting of the Indo-Iranian joint commission here this morning, they said the two countries could help each other in their economic progress.

The two ministers co-chair the joint commission, which met twice earlier since it was set up in 1983.

Areas of agreement have already been thrashed out by the official level delegations of the two countries, led by Secretary in the Indian External Affairs Ministry Narendra Jain and Iranian Deputy Minister for International Trade Lari Jan. The two ministers would give finishing touches to the minutes, due to be signed tomorrow.

The two countries had earlier agreed on the principle of barter trade in 1983 but it has not been implemented so far. Sources, however, indicated that 1986 would mark the beginning in this direction.

Indian exports to Iran accounted for 90 million dollars in the last calendar year but the balance of trade has always been in favour of Iran as it has traditionally been one of the biggest suppliers of crude to India.

Available information suggests that a substantial part of oil supplies to India would be adjusted against imports from India. State Bank of India (SBI) officials are already here to work out a banking arrangement for barter adjustment once the minutes of the joint commission are finalised.

Mr Jain told UNI that although India's indigenous crude production would steadily rise, the Indian imports in this regard would also continue to rise due to

the likely increase in domestic demand over the years.

"We have always bought oil from the Gulf and we would continue to do so", he added but gave no details of any likely arrangements between India and Iran.

Mr Bhagat, who arrived here last night, has a busy schedule of meetings with President Ali Khomeini, Prime Minister Hussein Mousavi, Majlis (Parliament) Speaker Rafsanjani, indicating the apparent political importance being given to his visit by the hosts.

Asked if he was going to discuss the Iran-Iraq war with these leaders and if he had any message from Prime Minister Rajiv Gandhi, who is the current chairman of the non-aligned community, Mr Bhagat told newsmen that India wanted peace between the two neighbours and the Iran-Iraq war was likely to be discussed.

However, he indicated that he had no fresh proposals from India.

Mr Bhagat called on President Khomeini today.

Before leaving Teheran on way to Kuwait tomorrow, Mr Bhagat would also meet Commerce Minister Hasan Abedi Jafri, Industries Minister Nabavi and Energy Minister, Dr Banki.

Mr Bhagat said besides the Gulf war, he would also discuss with Iranian leaders other issues of mutual interest like world-peace, disarmament, the six-nation initiative for a nuclear weapons free world and India's initiatives for strengthening its relations with its neighbours.

As a member of the nonaligned community, Iran already shares with India common views on disarmament, demilitarisation of the Indian Ocean, south-south cooperation and several other issues.

Mr Bhagat is accompanied by a fifteen-member delegation most of whom represent Indian trade and industry.

About Mr Bhagat's visit to Kuwait and Bahrain, Mr Jain told UNI that after Prime Minister Rajiv Gandhi's visit to Oman only six weeks ago, the visit to these countries by a senior minister showed the importance India attached to its relations with the Gulf cooperation council countries.

Both these visits are "of good will in nature" as part of Mr Bhagat's efforts to establish direct rapport with the Gulf leaders.

Mr Jain said besides bilateral matters, Mr Bhagat was likely to discuss the Iran-Iraq war with the leaders in these two countries. He is likely to call on the leaders of Kuwait and Bahrain besides holding extensive discussions with the foreign ministers of the two countries.

Sources in Bahrain and Kuwait said there were no outstanding issues between India and Kuwait or Bahrain. But in Kuwait, a minor problem of dues pending in favour of Engineering Projects India (EPI) might come up.

Cooperation Pact Signed

Bombay THE TIMES OF INDIA in English 14 Jan 86 p 9

[Text]

TEHERAN, January 13 (PTI).

A COMPREHENSIVE agreement on cultural, scientific and technical co-operation has been signed between India and Iran.

The three-year agreement was initiated here yesterday by the minister for external affairs, Mr. B. R. Bhagat, and the Iranian foreign minister, Mr. Ali Akbar Velayati.

This is the first agreement of its kind between the two nations after the Islamic revolution in Iran in 1979.

The agreement signed at the conclusion of the five-day session of the third Indo-Iran joint commission provides for exchange of scholars, stu-

portsmen and coaches between two countries. It also makes provision for exchanging documentary films.

The two nations agreed to accelerate bilateral co-operation in industrial, scientific and commercial fields. The agreement identifies a number of areas of economic co-operation.

KNOW-HOW TRANSFER

It also provides for the transfer of Indian technology for the development of small and rural industries in Iran. India would set up about 70 industrial estates in Iran. The two nations would also collaborate in setting up mini-cement plants, construction of dams and thermal power stations in Iran. India would also help Iran manufac-

ture railway passenger coaches and textile machinery.

It was also decided that Indo-Iranian trade must be increased and diversified.

The two nations also agreed to explore and identify specific areas for setting up joint ventures in either country or in third countries.

Iran agreed to consider Indian proposals for the construction of a new railway line linking Bandar Abbas and Bafq.

Mr. Bhagat described the outcome of the session as "very successful" and said it had laid a "framework of comprehensive relationship between the two countries in various fields and would also strengthen political understanding."

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CSO: 4600/1370

INDIA

INDIA-QATAR SIGN AGREEMENT TO PROTECT WORKERS

Bombay THE TIMES OF INDIA in English 19 Jan 86 p 9

[Text] Doha, January 18 (UNI)--The Indo-Qatar labour agreement came into force today after the signing of its "final form" by the Qatari labour minister, Mr Ali Ahmed Al Ansari and his Indian counterpart, Mr T. Anjiah.

The agreement envisages an improvement in the working conditions of some 50,000 Indian workers in Qatar and protection of their contractual wages and rights.

The two ministers also decided to set up a six-member committee to oversee its implementation. The committee would have three members from each side.

After signing the agreement, the two ministers expressed optimism that it would help the workers. Mr Anjiah said the agreement was a model for similar treaties with Libya, Jordan and the United Arab Emirates (UAE), with whom India was already having discussions.

Bahrain's Rejection

Mr Anjiah, on the last day of his three-day visit here, disclosed that Bahrain had rejected the Indian proposal for a similar agreement but that other countries were considering it favourably.

Mr Anjiah was accompanied in today's talks by the Indian ambassador, Prof S. Bashiruddin, and protector general of emigrants, Mr Ashok Tandon.

Qatar has labour agreements with Egypt, Sudan, Morocco, Somalia and Tunisia and Mr Ansari said that similar agreements would soon be signed with Pakistan and Turkey. India is the first non-Arab country to have signed an agreement with Qatar.

Qatar has decided in principle to obtain 80 percent of its manpower requirements from those countries with which it has labour agreements.

Mr Anjiah said though the agreement did not cover drivers and domestic events but Mr Ansari had assured that "due protection" would be given to them whenever necessary.

Earlier, Mr Tandon announced that from now on, foreign employers would have to go through governmental manpower export corporations only and that six such bodies had been set up already in Maharashtra, Tamil Nadu, Orissa, Kerala, Andhra Pradesh and Uttar Pradesh.

In an interview with the local daily "Gulf Times," he said corporations would act as agents for foreign employers but in case the latter wished to interview the workers, details would have to be furnished to them. The new rules would apply for recruiting and categories of workers, both skilled and unskilled, he added.

Mr Tandon said similar corporations would be set up soon in Delhi, Gujarat and Punjab.

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CSO: 4600/1379

EXTERNAL AFFAIRS MINISTER ENDS VISIT TO KUWAIT

New Delhi PATRIOT in English 16 Jan 86 p 7

[Text]

Kuwait, Jan 15 (PTI) — India and Kuwait have decided that regular consultations would be held between the foreign offices of the two countries at the level of permanent secretaries.

A press communique, issued at the end of the two-day visit of External Affairs Minister B R Bhagat here last night, said that the discussions between the two sides were marked by an atmosphere of "friendship and cooperation, amicable mutual relations between the two countries and a common desire to find means for strengthening and developing co-operation in different fields".

As a follow-up of the two countries' decision to continue consultations and contacts at the highest levels, the acting Prime Minister and Foreign Minister, Sheikh Sabah has agreed to visit India in order to continue the dialogue started during Mr Bhagat's visit to Kuwait.

Mr Bhagat emphasised that Iran and Iraq were the best of friends and members of non-aligned fraternity. However, "the positions taken by the two sides seemed to be so wide apart that there was no way to bridge the gap between the two countries".

Asked if the non-aligned movement was considering the

need for a common military force for implementing its decisions, the External Affairs Minister pointed out that "non-alignment movement was the movement of peace".

Earlier, in a preliminary statement made at the press conference, Mr Bhagat said his meetings with the Emir of Kuwait, Sheikh Jaber, acting Prime Minister and Foreign Minister, Sheikh Sabah and other senior Ministers of the Government of Kuwait were very fruitful. A wide range of issues were discussed between the two sides including the global economic issues, North-South dialogue as also the recent trends in South-South cooperation.

Mr Bhagat said both India and Kuwait also shared the common convictions and the two countries should work towards building up "collective self-reliance".

The Minister said an Indo-Kuwait joint committee had been set up which was headed by Mr Narendra Jain, Secretary in the Ministry of External Affairs and Permanent Secretary of the Kuwaiti Foreign Ministry. Mr Shaheen, for working out concrete plans of bilateral cooperation.

The External Affairs Minister disclosed that acting Prime Min-

ister and Foreign Minister of Kuwait, Sheikh Sabah had accepted an invitation to visit India with a view to continuing dialogue which had started during their two-day discussions on wide range of subjects.

A date for the Sheikh's visit to India would be fixed later.

Both the Foreign Ministers agreed that it was necessary to work for still closer cooperation for removing frictions and to maintain stability and peace in the Gulf region.

It was decided by the two Foreign Ministers that the joint committee set up at the secretary's level should meet annually to hold consultations on all aspects of bilateral relations and cooperation in multilateral forums to promote greater international understanding and cooperation.

The joint committee headed by Mr Narendra Jain, the visiting Secretary in charge of Economic Relations in the Ministry of External Relations and Sheikh Suleiman al-Shaheen, Permanent Under Secretary in the Foreign Ministry of Kuwait held its first meeting here later in the evening to decide modalities and "consultation mechanism" and to define more precisely the 'growth possibilities in mutual cooperation in all fields'.

PANEL TO EXPLORE TRADE WITH, AID TO NICARAGUA

Calcutta THE TELEGRAPH in English 20 Jan 86 p 2

[Text]

Calcutta, Jan. 19: An inter-ministerial commission from India is going to Nicaragua this month to explore the possibilities of trade and assistance to the country, Mrs Halima Sirkar, Nicaraguan ambassador in India, told newsmen here today.

As a follow-up measure, the Nicaraguan foreign minister, Mr Miguel D'Escoto, is expected to visit Delhi in March. The Nicaraguan ambassador also said that the Prime Minister, Mr Rajiv Gandhi, has invited the country's President, Mr Daniel Ortega, to visit India this year.

Earlier, during the day, Mrs Sirkar attended a civic reception given in her honour by the mayor, Mr Kamal Basu, at Sisir Manch. She told the gathering how Nicaragua and its people were fighting the forces of imperialism.

She traced the history of the US intervention in Nicaraguan affairs and told the audience about the victory of the people over the Somoza regime in 1979. The ambassador felt that this victory was, however, incomplete as a result of the continued warfare being waged by the US-assisted Contras. She strongly condemned the supply of sophisticated weapons by the US to the counter-revolutionary forces.

Mrs Sirkar also criticised the US trade embargo on Nicaragua. According to her, the people of

Nicaragua did not want war. Instead, they loved peace and were willing to achieve it through bilateral negotiations and by going to all international forums to attain it.

Asked how India could assist Nicaragua, she said since India had gone through a similar phase in its fight for independence, there were many common areas where India could assist. She felt that some specific areas could be irrigation, fertiliser production, pharmaceuticals, and textiles. She said India could help to develop the industrial and technological base of the young nation of three million people. She emphasised the need for developing the heavy machinery industry in Nicaragua in view of the stoppage of the supply of American machinery and spares to her country.

Mrs Sirkar said she was extremely happy to come back to her father's land. "I have found my roots here. I feel very happy to be with the people of Bengal," she said. She became emotional when she was asked why she could not visit her father's village in Hooghly district despite having come to Calcutta. Mrs Sirkar said she looked forward to visiting the village during her next visit.

The Nicaraguan ambassador, who is a guest of the West Bengal government, would be meeting the state chief minister, Mr

Jyoti Basu, at Writers' Buildings tomorrow and would visit Calcutta and Rabindra Bharati Universities.

Mrs Sirkar called on the state leaders of the two Communist parties here today. While she met the state CPI chief, Mr Biswanath Mukherjee, and other party leaders at Mr Mukherjee's residence, she had talks with the CPI(M) leaders at the party's state committee office on Ali-muddin Street.

Mrs Sirkar's meeting with the CPI leadership was arranged at Mr Mukherjee's residence as the latter's health condition did not permit him to climb up to the second floor of the party's office at Bowbazar. Besides, Mr Mukherjee's wife, Mrs Gita Mukherjee, CPI MP, several state secretariat members of the party were present during the meeting.

According to Mr Swadhin Guha, who was present during the discussions, Mrs Sirkar apprised CPI leaders about the US blockade of Nicaragua and how a country of only 30 lakhs people was put into trouble by imperialist forces. She also urged CPI leaders to build up a campaign in West Bengal in favour of her country. A cheque worth Rs 5,000 was handed over to her for the Nicaraguan people by the CPI leadership here.

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CSO: 4600/1383

PAPER REPORTS VISIT OF NETHERLANDS QUEEN

New Delhi PATRIOT in English 15 Jan 86 p 1

[Text]

Queen Beatrix of the Netherlands on Tuesday had wide-ranging discussions with the Indian leaders, including President Zail Singh and Prime Minister Rajiv Gandhi, on bilateral relations and international affairs.

The discussions are learnt to have centred on Indo-Dutch relations and are believed to have opened up the possibilities of greater economic and cultural co-operation between the two countries.

Dutch Foreign Minister H Van De Broek, who is accompanying the Queen and her consort Prince Claus on their 10-day state visit to the country, also held official talks with Minister of State for External Affairs K R Narayanan.

During the talks, the two ministers are understood to have shared a common perspective on important international issues like nuclear disarmament, peace and the struggle against the apartheid.

The Queen, who was accorded a warm welcome by President Zail Singh and Prime Minister Rajiv Gandhi Tuesday morning, during her 45-minute talks with Mr Gandhi is understood to have taken up some of the developmental projects in the country in which she has shown interest.

The Queen, the first ever Dutch Head of State to visit India since independence, and the Indian leaders during their discussions are learnt to have touched upon the 250 year-old historic relations between the two countries and explored areas of future cooperation.

At a banquet he hosted in the night, President Zail Singh candidly spoke of various areas in which Dutch experience and expertise could be useful for the country, particularly in 'water management and alternate sources of energy. The Dutch experience in environmental protection and conservation was worth emulating, he said.

Queen Beatrix, in her speech, said "we admire and appreciate the vitality and resilience of Indian democracy, the freedom of the press, the frankness and the high intellectual level of political discussion. Criticism is sometimes sharp and heated, but even that is a sign of strength and vitality".

Queen Beatrix said the recently concluded cultural agreement between India and the Netherlands would give fresh impetus to cooperation and mutual knowledge of "our respective languages and cultures". It will enhance the close relations between the two nations in diverse fields, she added.

After receiving a ceremonial reception at the airport, the Queen drove to the Rashtrapati Bhavan where she will stay for three days before her departure for Jaipur on Friday.

Our Staff Correspondent adds from Lucknow: Prime Minister Rajiv Gandhi, Queen Beatrix and Prince Claus of the Netherlands will make an aerial survey of the Ganga and the famous "sangam" with Yamuna at Allahabad tomorrow.

GOVERNMENT SURPRISED BY DIPLOMAT'S ASYLUM REQUEST

Calcutta THE TELEGRAPH in English 15 Jan 86 p 1

[Text]

New Delhi, Jan. 14: An Indian diplomat, Mr Inderjit Singh Bindra, has sought political asylum in Canada. The government here is, however, of the opinion that he cannot be granted refugee status or political asylum by Canada on any ground.

The government today took up the matter with the Canadian ministry of external affairs and immigration and sought to dismiss Mr Bindra's claim that he had left his job after being asked to infiltrate into a Sikh organisation.

Official sources said Mr Singh, a private secretary at the Indian consulate in Toronto, was due to return to India after his three-year tenure expired in August last year. But he proceeded on a three-month foreign holiday. On his return, he sprang a surprise with his sudden request.

Sources in the external affairs ministry here appeared taken

aback by the development and had little knowledge of the precise nature of Mr Bindra's request or the Canadian government's reaction to it. They were unable to explain the time gap between Mr Bindra's return from vacation and his appeal, nor were they willing to specify whether they were officially aware of the incident or had learnt of it from the agency report.

Mr Bindra is the second Indian diplomat to seek asylum in the West. Mr Harinder Singh, a Norway-based IFS officer, had resigned his job and sought asylum in 1984. The sources said political asylum was granted under certain specific situations and Mr Bindra could not be granted asylum. Moreover, by convention the UN High Commissioner for Refugees and not individual governments granted persons refugee status.

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CSO: 4600/1373

GANDHI INTERVIEW WITH U.S. QUARTERLY REPORTED

Calcutta THE TELEGRAPH in English 6 Jan 86 p 4

[Text] New York, Jan. 5 (UNI): India will "progressively" open its economy "to the winds of international competition," the Prime Minister, Mr Rajiv Gandhi, said in an interview published in the latest issue of an American quarterly. Mr Gandhi said India was already making a wide range of industrial products.

"What we now need to do is to enhance efficiency and ensure quality," he told the magazine, *Leaders*, which ran a over report on him titled: A Government that Works Faster.

Citing an example, he said: "Only a few decades ago, made-in-Japan was synonymous with shoddy goods. Today, and for several years past, Japanese technology, finish and servicing have become a byword for the best that is available.

"I am sure we in India can do the same thing in a much shorter period. And this will, of course, involve close interaction with the outside world."

The journal, which is circulated mainly to world leaders, chief executives and nobel laureates noted that since assuming office Mr Gandhi "has changed the political and economic scope of the nation."

It quoted him as saying that "superior management, technological upgrading and top-of-the-market quality production is what we now aim at. We must rid ourselves of outmoded plants and obsolete processes in such

key industries as engineering, thermal power generation, textiles and the Railways."

The Prime Minister said, "We are taking a judicious combination of deregulation import liberalisation and easier access to foreign technology."

He said "Competition within our domestic economy is being fostered. Progressively, we will open our economy to the winds of international competition. In the end, quality-consciousness and cost-efficiency come out of the pressure of competition".

Asked why he did not go in immediately for full scale liberalisation, he replied that for a large country like India "there is no alternative to self-reliance".

He pointed out: "We are so large that we can neither afford to depend on the world nor can the world afford to keep us dependent. That is the logic of our self-reliance.

Mr Gandhi said the government's anti-poverty programme has raised more than a hundred million over the poverty line in the last five years alone.

Reminded that India was still a poor country, Mr Gandhi responded, "Yes, but (it's) no longer underdeveloped. I think we have broken the back of poverty. By the end of our current Seventh Plan, the poverty ratio should be down to a quarter, and by the end of the century we should be almost at the point of eliminating poverty."

Mr Gandhi predicted a massive expansion of industry and infrastructure in India by the year 2000, thereby increasing the share of manufacturing and services in national income. The share of agriculture would drop to a quarter by then.

He noted that India's middle class had grown to well over 70 million and had education skills, incomes and aspirations comparable with some of the newer entrants to the European Common Market.

"We have some chaps, of wealth, who have done so well that they aspire to be Rockefeller (one of America's richest families) league. This enormous middle class is the consequence

of the industrialisation of the country"

Asked why should foreign investors put up with the problems of investing in India when many countries lay out the red carpet for them, Mr Gandhi said, "perhaps because a 10th of the Indian market is larger than many economies.

"Thousands of foreign investors have found collaborators in India and we sign hundreds of new collaborations every year. The Americans are very much in the lead," he added.

"Where necessary, we can of course make it easier for the foreign investor ... but there has to be a demonstrable need to relax the conditions—a need based on our priorities."

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CSO: 4600/1351

RAJIV INTERVIEWED BY INDIAN ILLUSTRATED WEEKLY

Bombay THE TIMES OF INDIA in English 15 Jan 86 p 12

[Text]

BOMBAY, Jan. 14 (PTI):

A YEAR after his landslide victory at the polls, the Prime Minister, Mr. Rajiv Gandhi, says he succeeded in "upping the mood of the country, removing the general feeling of doubt and uncertainty."

But he said he failed in implementing policies and programmes with "speed."

When "the suave, young, prematurely retired airline pilot" took over control on October 31, 1984, after Mr. Indira Gandhi's assassination, there was scepticism "whether the system would hold, whether the country would hold."

"We have managed to remove that feeling completely. In fact, we've changed that to a feeling of optimism. We're now involved in getting things done," the Prime Minister says in an interview to the "Illustrated Weekly of India."

However, "in getting things done" his failure was "mainly in the speed of implementation," he concedes.

Mr. Gandhi asserts that the nation has made much headway on the economic front, judging by the performance indicators, and with the anti-poverty programmes.

"Perhaps the most difficult part has been the anti-corruption action plan, where we've not made the sort of headway we wanted to," he says and hastens to add. "That doesn't mean we haven't made progress. If you see

the number of cases, the type of cases, there has been a tremendous increase."

Mr. Gandhi also outlines a bi-pronged strategy to combat corruption — "to tackle the chap who is doing something wrong and to try and remove the basic reason, that is 'black money.'"

"But the offenders are many, and it's difficult just because of the sheer numbers involved," he admits.

Rationalising the tax structure, introducing a long-term policy to give a certain stability to the system so that "people have a little bit of faith in us will all have a long-term effect on black money," Mr. Gandhi hopes.

Mr. Gandhi says his tenure has seen significant foreign policy gains in many areas, "in our standing, in the prestige of India in the world, in our bilateral relations with many countries."

Asked about corrupt elements in his party, Mr. Gandhi said: "If you look, not just at my government now, but if you look from 1980 onwards you will see that there has been a continuing process of cleaning up at the higher levels."

However, he admits "everything is not rosy and everything is not absolutely all right."

"In our kind of system you have to balance the two, the fact is that certain people, even if they don't have the best images, get solid support from the electorate and; ultimately, it is the electorate who must give the answer to political wheeling-dealing, corruption, whatever."

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CSO: 4600/1386

REPORTAGE ON RAJIV PLANS TO IMPROVE ADMINISTRATION

Unhappy Over 'Slovenly Functioning'

Madras THE HINDU in English 13 Jan 86 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, Jan. 12.

The corridors of power in Delhi are agog with reports of an impending shake-up at the higher levels of the party and the Government as part of the new centenary pledge to clean up the Augean stables.

There is hardly any Ministry or department which is not affected by the shock waves of such reports, since nobody at any level except perhaps a few of his closest confidants seems to have a clear idea of what exactly the Prime Minister, Mr. Rajiv Gandhi, proposes to do to give a cleaner look to his Government.

But what is worrying almost everybody in the Government, who is liable to be rendered personally accountable for dubious decisions or more serious infractions, is the awareness of Mr. Rajiv Gandhi's unhappiness over the slovenly functioning of the administration. They are afraid that he might start wielding the axe in a big way before public disenchantment starts setting in soon.

Not expecting miracles

Those who claim to have some inkling of the Prime Minister's thinking maintain that he is not expecting his Cabinet colleagues or senior officials to perform miracles and solve various problems all at once. He wants them only to pay earnest attention to their work and use their better judgment in arriving at the right decisions without allowing themselves to be influenced unduly by subjective considerations.

The clean-up operation with some Cabinet changes and selective transfers and premature retirements of those with doubtful records would have started already, if Mr. Rajiv Gandhi had not been fully preoccupied with the Punjab problem. But the interval is being utilised to

take a deeper look at the malaise and widen the scope for this cleansing operation.

One of the major targets for action is the ostentatious and almost vulgar life styles of some of his party colleagues who have taken to permissive ways in the absence of any strong disapproval from the top or conscientious effort to restore the missing values in the country's public life. The necessary information is being gathered from all available sources of how vast fortunes have been made and how big sums of ill-gotten money are being spent without any fear of retribution.

As a logical follow-up of the current raids on many big business houses suspected of tax evasion and other malpractices, there is talk of similar punitive action against known political offenders to assure the public that nobody is going to be spared for engaging in illegal activities for personal gain.

Anybody's guess

What final shape this projected drive is going to take, and whether it will yield the desired results, is anybody's guess at the moment. But there are signs of a firm resolve at the highest level to save the soul of the party and purify the spirit of the Government before the rot spreads deeper and becomes too late for any corrective action.

As he has staked his own political reputation by pledging himself in his centenary session address to administer this shock treatment, Mr. Rajiv Gandhi has to take some drastic steps without any great delay or vacillation. He will have to do something in the next few weeks to face Parliament with a reassuring display of this crusading zeal to improve the image of his party and Government.

Personnel, Administration Plans

Bombay THE TIMES OF INDIA in English 13 Jan 86 p 9

[Text]

NEW DELHI,
January 12 (PTI).

IN keeping with the Prime Minister, Mr. Rajiv Gandhi's pronouncement to revamp the administration the Indian Administrative Service and allied services are being restructured, it is learnt.

The CBI is also geared to launch a vigorous drive in certain important areas where the government and public sector offices have become virtually dens of corruption.

Reacting to Mr. Gandhi's sharp criticism of the bureaucracy at the Congress centenary celebrations in Bombay, a scheme has been prepared by the personnel and administrative reforms ministry. This envisages specialisation by fresh IAS recruits in the course of time.

A freshly appointed IAS officer will have not more than three postings in the first 11 years of his service. This includes the two years probation period.

The postings would be in field, regulatory departments — like home, law enforcement organisations, general administration and welfare depart-

ments, education, health and family welfare. They are also expected to acquire a reasonable experience in departments dealing with finance and commercial matters and in public sector undertakings.

Most of the officers will have to work for about a decade in the states. The officers will then be given a chance to specialise in a branch between the 11th and 16th year of their service.

Instructions are being issued to the state governments to ensure that a district collector should have a minimum of two or three years tenure.

The confidential reports of practically all categories of officers are now written by their superior officers. This is the criterion for promotion. This system is now being changed. Official sources explained that the confidential reports will now be based on their "data based performance".

An officer will be entitled for promotion if he has shown good performance in the areas assigned to him.

The one week refresher course introduced by the ministry of personnel

and administrative reforms have yielded good results, official sources said.

The four-week training course for the administrative officers beginning shortly is expected to show better results. During the four weeks there will be an "interaction" between senior and junior officers, the sources pointed.

Government is serious about the refresher course that even the most senior officers of the Union government are not spared. Even the cabinet secretary will have to undergo the refresher course as junior officers will benefit by his experience.

The subjects likely to be covered during the course include computer training, behaviour training, financial managements and also management in the sphere of water and power.

Other reforms include steps to reduce delays. Old manuals, some as old as 19th century, are being revised and updated. A file now need not go to the secretary or minister level unless it is very important. An officer of deputy secretary's rank or below has been given power to deal with files relating to ordinary matters.

Rajiv Ramarks in Interview

Bombay THE TIMES OF INDIA in English 14 Jan 86 p 1

[Text]

MADRAS, January 13
(UNI).

THE Prime Minister, Mr. Rajiv Gandhi, has indicated that businessmen would be given a few months to put their house in order.

In an interview to Mr. Cho S. Ramaswamy, editor of the Tamil fortnightly, "Thuglak," he said, "we do not want to dig up the past. But, we would like that in the future they (businessmen) are clean and operate within the framework of the rules."

Mr. Gandhi said the industry had to operate within the legal framework and denied the suggestion that the raids were intended to make them "subservient" to the ruling party.

"It would do no good to have an industry, which is subservient to a particular government," Mr. Gandhi said.

"The stick is for all," he added.

Regarding the reservation system he said it would have to be continued for another five or ten years as a protective measure for the scheduled castes and tribes, but cautioned against the lowering of standards.

Maintenance of the standards is a very "crucial" part of the measure. "If we are not able to do that, we are not doing any one a favour, because we don't want third-rate people," he said.

He also said that he was in favour of a uniform civil code. But it should be introduced only after a consensus is reached among political parties, religious leaders and eminent personalities, he cautioned.

The recent supreme court judgement in the Shah Bano case had for the first time cast doubts in the mind of a particular community that their religious freedom was being encroached upon, he said.

He said he had held discussions with between pro-Congress or anti-Congress business houses in enforcing the laws.

Mr. Gandhi said, "we have shown the stick and given them carrots as promised before elections and now we would like to give them a few months to put their house in order."

He said there was no discrimination

certain Muslim religious leaders, political leaders, eminent people on the issue. Their complaint was that they would have no objection if their personal law was properly interpreted by the courts.

Mr. Gandhi said he was in favour of ensuring Muslim women their rights under the Muslim law.

A solution to the Sri Lanka issue in the near future he felt would be "very difficult."

He however, made it clear that a military solution would be no solution since it would cause more problems in Sri Lanka.

Speaking of his party, Mr. Gandhi said the Congress would have to strengthen itself at the grass-roots level.

"What is disturbing is not the votes, but the condition of the party itself. I tried to bring out my views on this during my (the Congress) centenary speech," he said.

"In a general election, may be I could carry it or someone else could carry it on some other date, but that is not good enough," he added.

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CSO: 4600/1366

ANALYST ON GANDHI APPROACH TO REFORM

Madras THE HINDU in English 6 Jan 86 p 1

[Article by G.K. Reddy]

[Text] The Prime Minister, Mr. Rajiv Gandhi, returned to Delhi today from his week-long holiday at Ranthambore tiger sanctuary in Rajasthan amidst high expectations of some dramatic steps by him in the next few weeks for keeping his Congress centenary pledges to clean up his Government.

After his brief trip tomorrow to Karnataka and Tamil Nadu, he will be engaging himself in a series of discussions with his senior party colleagues and close confidants in the Government to work out a new set of priorities for living up to his centenary spirit.

Mr. Rajiv Gandhi proposes to call a meeting of the Congress (I) Working Committee shortly to initiate an inner-party debate on what should be done to cleanse the Congress (I) before the party elections. He also intends to consult some important leaders privately on how he should proceed to get rid of undesirable individuals and clear up the cobwebs of corruption that have sullied the party's image and tarnished the country's reputation.

Systematic approach

According to those who are close to him, the Prime Minister has no intention of engaging in any witch-hunt by looking around for scapegoats to create an illusion of a drastic purge. He wants to adopt a more systematic approach by putting persons of known ability and integrity in pivotal positions, which itself would go a long way in purifying the political atmosphere by relegating the profligate into the background and providing better opportunities to the honest to achieve greater prominence within the party organisation.

This catharsis cannot be carried beyond a point unless Mr. Rajiv Gandhi is all set to usher in a new era of realignment of political forces in the country, which would logically imply undoing the harm done by successive Congress splits. He can jettison some of those who have jumped on to his band-wagon, but not get rid of all those who have come in for adverse notice or proved incompetent, without running the risk of renewed dissidence.

At the administrative level, the new accent is on changing procedures and policies, not merely personnel, to achieve better results within the framework of the existing Governmental system, without going in for a drastic shake-up in the name of shedding incompetent and dishonest public servants. The Prime Minister is reported to be quite determined to break the rigid hierarchical legacies of the past that continue to condition the thinking of civil servants and introduce new selection methods to enable more dynamic officials to reach the top soon.

A lot of thought is being given at present to streamlining the tax structure to plug the loopholes, eliminate irksome constraints and increase revenue collections, which is quite different from rationalising the Government's economic policies to encourage increased production, higher exports and more domestic consumption to enlarge the country's industrial base.

The incentives that are being offered to industry to acquire the latest technology are aimed at improving the quality of Indian goods and bringing down the costs of production to make them more competitive abroad and more acceptable to domestic consumers who have been held to ransom in a captive market.

It will take considerable time and effort on the part of the young Prime Minister to mesh all these strands of long-term policy pursuits and more immediate imperatives into a workable action programme capable of producing quicker results without rocking the boat too hard and ushering in abrupt changes that are hard to sustain in the long run.

Note of caution

His advisers, therefore, continue to sound a note of caution against undue expectations by drawing attention to the unmistakable undertones of pragmatism in all his public pronouncements including his hard-hitting address to the Congress (I) centenary session.

The next budget on which the Finance Minister, Mr. V.P. Singh, is working very hard these days, will indicate how far the Prime Minister is ready to go in preparing India to enter the next century with greater confidence in its future. It is not merely the archaic tax laws that are under review but the whole philosophy of a permissive social dispensation that has distorted the country's values and corroded its spirit.

A promising political leader cast in a reformatory role, however, well-intentioned he might be, can be carried away by his own crusading zeal and get caught up inextricably in a morass of his pinched myths of infallibility, if he is not prudent enough to realise his limitations. The cheer leaders that are trying to whip up an atmosphere of great anticipation are doing Mr. Rajiv Gandhi considerable disservice, since he should be left free to determine his policies and set the pace for action relying primarily on his own sound instincts rather than the impulsive advice of his image-builders bent on giving a personality angle to his actions.

Stern stand on corruption

There are some in the Prime Minister's entourage who feel that he should opt for a policy of greater caution in trying to reform the change-resistant Indian society that can be remoulded gradually and not overnight. But they would like to see Mr. Rajiv Gandhi adopt a stern and unforgiving stand on corruption, while avoiding any hasty steps for dealing with administrative inefficiency which cannot be removed without reorganising the services.

The greatest need at present is for an element of impersonality in the governance of the country, so that subjective considerations are not allowed to prevail in the choice of Ministers, selection of senior officials for key administrative positions of adoption of uniform standards in coping with social evils like corruption. And it is not surprising that some Congress (I) men themselves are primarily questioning the way the party men went about collecting funds for the centenary celebrations, which was a sad reflection on Mr. Rajiv Gandhi's promise to break the nexus between big business and politicians in power which meant his own party colleagues.

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CSO: 4600/1352

LOK DAL LEADER SCORES GANDHI ECONOMIC POLICIES

Madras THE HINDU in English 8 Jan 86 p 12

[Text] The current economic policies being pursued by the government of Mr. Rajiv Gandhi show a lack of direction, the Lok Dal leader, Dr. Subramaniam Swamy, has alleged. "If one is going in for a market economy, then right after the Budget, which was in effect a reform of the direct tax system, one should have moved rapidly into excise tax reform. But instead, there is a falling back into the old game of raiding industrialists", he said in an interview on Monday.

"Now, the philosophy in the Budget was that it was the taxation laws which made our industrialists corrupt and therefore it was necessary to give incentives to be honest, but then people are being raided on the basis of tax offences committed prior to this Budget . . . this shows a lack of a direction. Mr. Rajiv Gandhi ought to decide . . . is he moving in the direction of market economy or a socialist one," Dr. Swamy said.

Sri Lanka problem: The Lok Dal leader, who has recently formed the Hindustan Front or the Protection of Eelam Tamils, argued that India was getting increasingly isolated internationally, with a Sino-Soviet rapprochement in sight and the prospect of the United States, Israel and Pakistan entrenching themselves in Sri Lanka. "India is getting sandwiched in between. We must disturb this, by settling the Sri Lanka problem and pre-empting a Sino-Soviet friendship."

Dr. Swamy pointed out that after the fall of the Shah of Iran, the U.S. began developing Pakistan as a frontline State in its geopolitical strategy, and was beginning to consider Sri Lanka as another frontline State in the context of Mr. Marcos losing ground in the Philippines, and said it was time for the Indian people to awaken to this situation.

"We are making a lot of noise about the conversion of Diego Garcia, which is 3000 km away from us, into an American military base, but we are blissfully asleep on the fact that Sri Lanka which is just 35 km away from our shoreline now offers the potential of another Diego Garcia," he said.

While the immediate solution to the Sri Lanka issue would be the adoption of a constitution with a federal flavour, it was apparent that the Sri Lankan President, Mr. J.R. Jayewardene did not want to accept this "very straightforward solution" and was instead "using the time to buy weapons from the United States". The situation had got polarised on the island, with the Sinhalese uniting against the Tamils. "I interpret the restoration of civic rights to Mrs. Bandaranaike in the light of that polarisation, is to soften her, so that when Mr. Jayewardene begins his military offensive against the Tamils, she does not oppose it", Dr. Swamy said.

Mr. Jayewardene ought to be given an ultimatum by the Indian Government to implement a federal constitution on a deadline. "Tell him that enough discussions have taken place, if he doesn't implement a federal constitution, then arm the militants and assist them"

Indo-Pak. Ties: On relations with Pakistan, Dr. Swamy said that he was a strong advocate of friendly relations with the neighbour. "We've got a neurosis as far as Pakistan is concerned. It will never be a serious threat to India and we should try and befriend it. But I am surprised at the way the Prime Minister is going about it, he has evidently not really conceptualised the problem. Until yesterday, Pakistan was a threat, then suddenly you sign a treaty agreeing not to attack each other's nuclear installations. . ."

All that the treaty had done, Mr. Swamy said, was to make it possible for Pakistan to tell Washington that India was quite satisfied and it was allright for the U.S. to sanction the proposed \$6 billions in aid to Pakistan.

Dr. Swamy, who is currently a Visiting Professor at Harvard University, teaching a course on China's economic development, said India ought to befriend China to pre-empt a Sino-Soviet friendship developing at India's expense. "The Soviet Union, which has been our great supporter is in an advanced stage of dialogue with China . . . we should settle the border question with China on a basis of give-and take," he said.

/13104

CSO: 4600/1357

FURTHER REPORTAGE ON DEVELOPMENTS IN ASSAM

Governor Speaks to Assembly

Bombay THE TIMES OF INDIA in English 11 Jan 86 p 9

[Text] Guwahati, January 10--The governor of Assam, Mr Bhisma Narayan Singh, addressing members of the newly-constituted Assam Assembly today, praised the "statesmanship and farsightedness" of the Prime Minister, Mr Rajiv Gandhi, for bringing to an end the six-year-long agitation which had brought normal life to a standstill in the state.

Setting forth the priorities of the new government, the governor said the Assam accord would be sincerely implemented and assured the minorities that discrimination and harassment of Indian citizens in the name of race, language or community would not be tolerated. The state government would also take necessary steps to restore the democratic process at all levels.

The former agitation leaders had bitterly criticised the Congress government of Mr Hiteswar Saikia for subverting all norms of democratic practice.

As already announced by the new chief minister, Mr Prafulla Mahanta, the government has decided to treat the period of unauthorised absence of its employees as on duty with full pay and allowances. The "repressive" measures taken by the previous government against all employees for supporting the movement against foreign nationals will be lifted and criminal cases against supporters of the agitation are being reviewed.

Mr Tridip Sharma and three of the co-accused in the attempt on the life of Mr Saikia have been granted bail. Mr Sharma's father, a senior official of the Assam state electricity board has also been reinstated.

Though the new government has promised to restore the democratic rights of the people, there was no assurance in the governor's address that the repressive code of criminal procedure Assam amendment Act, 1983, which had previously been dubbed as draconian, like the Preventive Detention Act, the National Security Act and Essential Services Maintenance Act would not be used by the new government.

Today's assembly session was interesting, with the new AGP members shouting down the UMF leader, Mr Shanti Ranjan Dasgupta, when he tried to raise a point of order. AGP legislators were heard reminding Mr Dasgupta that he was in Assam and should speak in Assamese, though the speaker himself was conducting much of the proceedings in English.

Later many of the members including the AGP chief whip, Mr Joynath Sharma, when asked how it felt to be members of the assembly said: "it is just like an AASU meeting."

Demand for grants: The chief minister, who is also holding the finance portfolio, today introduced in the Assam assembly the state's supplementary demand for grants, for 1985-86, amounting to about Rs 41.46 crores, PTI reports.

Congress Legislative Party Leader

Bombay THE TIMES OF INDIA in English 11 Jan 86 p 9

[Text] Guwahati, January 10--Mr Golak Rajbangshi, agriculture minister in the erstwhile Saikia government, has been chosen leader of the Congress legislative party.

In true Congress style there was no election and Mr Rajbangshi was unanimously declared selected. His name was proposed by the former chief minister, Mr Hiteshwar Saikia, and seconded by another former chief minister, Mr Keshab Chandra Gogoi.

Mr Altaf Hussain Majumdar was appointed deputy leader of the party in the assembly.

It is learnt that the Congress central leadership has told the state party unit not to create unnecessary problems for the AGP government. The thinking seems to be that after receiving a massive mandate from the people, the fledgling ministry should be allowed to function undisturbed.

Minorities Front Demand

Madras THE HINDU in English 9 Jan 86 p 6

[Text] Guwahati, Jan 8--The United Minorities Front of Assam has reiterated its demand for the scrapping of the Assam accord and is mobilising support through a signature campaign on this question. It has also repeated its allegation about "large-scale rigging" in the recent elections in the State as well as "intentional deletion" of the names of eligible voters in electoral rolls and has demanded a high level inquiry into these "irregularities."

These formed part of "resolutions adopted at a meeting of the UMF council and the newly-elected UMF members of the Assam Assembly. It called upon all its "workers, supporters and sympathisers" to assist towards "the construction of a permanent control office of the party in Guwahati."

Bitterly attacking the Assam agreement as actually "an accord of discord," the UMF general secretary and leader of the UMF group in the Assembly Mr Golam Osmany, said that the accord, arrived at behind the back of the minorities but affecting their very existence, would never be acceptable to them.

The UMF leaders have also been severely critical of the provision for the expulsion of post 25 March 1971 migrants established to be saying illegally in Assam and want all those detected to be foreigners to be properly "deported" to their countries of origin.

However, the wording of the resolution on the Assam accord suggests that the UMF leaders are keeping all their options open. For, resolution number five begins by seeking "a review of the accord" then goes on in the next sentence to demand "scrapping of the accord" and concludes with a call to its supporters "to remain vigilant in the matter of the implementation of the Assam accord."

Mr Osmany insisted that there was no contradiction in these demands.

However, the most significant of the resolutions appears to be the one seeking assistance to build a "permanent central office of the party in Guwahati." The UMF leaders have been maintaining that the party was born in the context of the specific grievances over the Assam accord. Indeed Mr Golam Osmany reiterated while talking to reporters, that they had succeeded in their main aim of inflicting a severe electoral defeat on all those minority leaders in the Congress(I) who had been silent or ambivalent on the Assam accord. UMF leaders have been saying that there would be no reason for the party to exist if the grievances of the minorities are removed and the Assam accord is scrapped. However, the spectacular achievement of the UMF in the hustings suggests that the party leaders would find it difficult to resist calls to consolidate these gains and give a more permanent shape and structure to the organisation. Indeed, resolution number four adopted at the meeting specifically dealt with these organisational and structural matters. This as well as the resolve to construct a permanent control office in Guwahati suggest that the party will outlive whatever resolution the dispute over the Assam accord may attain and that the organisation of the minorities of Assam on a separate political platform is not going to be a one shot affair. Clearly the UMF envisages for itself a political future whereby consolidating and advancing the gains it has already made the party will be in a position to play a crucial balancing role in the politics of Assam.

Protem Speaker sworn in

PTI reports:

Mr Sarat Chandra Sinha, former Chief Minister and senior most member of the State Assembly, was sworn in as Protem Speaker at a solemn function at Raj Bhavan on Wednesday.

ASSAM CONGRESS-I LEADER SUBMITS RESIGNATION

Calcutta THE STATESMAN in English 6 Jan 86 pp 1, 9

[Text] Guwahati, Jan 5--The Assam Pradesh Congress (I) president, Mr Dharani Dhar Basumatari, has tendered his resignation from the post following the party's debacle in the December poll, report UNI and PTI.

In a letter to the AICC(I) president Mr Rajiv Gandhi, yesterday, Mr Basumatari said: "In the last Assembly and Parliamentary elections in the State, our party could not do well. Under the circumstances, I request you to kindly relieve me from the presidentship of the APCC(I)." He also requested Mr Gandhi to nominate someone else in his place.

According to reports from New Delhi, the entire Assam Pradesh Congress (I) Committee is being reconstituted and the change in the leadership of the legislature party is seriously contemplated, it is learnt.

Exercise is also on at the AICC to drastically overhaul the party's front organizations. The Central leadership is understood to have reviewed indepth the reason for the Congress (I) debacle in the State and feels the party's performance might have been better had President's rule been imposed on Assam before the poll.

The Assam leaders, it is felt, had not apprised the Central leadership of the correct pre-poll situation in the State. The result was that the organization was slack on the eve of the election and the entire campaign was mismanaged.

The question the Central leaders are considering is if Mr Hiteswar Saikia, CLP leader, should be replaced because it is generally felt that the former Chief Minister's image had a direct bearing on the party's poor poll performance.

A group of Congress (I) MLAs arrived in New Delhi this evening from Guwahati. They are likely to submit a memorandum to the Central leaders on the present state of the party in Assam. Some of them are pleading for continuance of Mr Saikia.

As far as the United Minority Front is concerned, the Congress (I) may not have any truck with it. Reports from Assam reaching Delhi indicate

that the minorities themselves are getting disillusioned with the UMF as they feel that the front will not be able to safeguard their interests.

Over 100 Block Development Officers, appointed under Regulation 3(F) of Assam Public Service Commission by the previous Saikia Ministry were discharged with immediate effect.

Official sources said here today that the appointments were alleged to have been made on political consideration without following procedure.

The Assam Chief Minister, Mr Prafulla Kumar Mahanta and the Home Minister, Mr Bhrigu Kumar Phukan, said today the party wing and the Government would have to work hand in hand to translate into action the hopes and aspirations of the people of Assam.

In a joint statement here as the president-in-chief and general secretary of the AGP, respectively, Mr Mahanta and Mr Phukan said that the party could fulfil this role only when it had a strong organizational base. They called upon party workers to accept the challenge of the new situation with sincerity, honesty and selflessness.

They said that the central executive of the AGP would meet in Guwahati on January 23 to work out in detail plans for the party's organization and to review the latest situation following installation of the AGP Government.

They called upon their party workers to be vigilant in maintaining peace and amity among all sections of the people and to keep watch on the activities of some unscrupulous elements who were encouraging stray incidents here and there.

Mr Mahanta and Mr Phukan said that the students in the State had played their role in the establishment of a people's Government by overthrowing the Congress (I) rule. They promised that the AGP Government would look into the problems of the students and fulfil their grievances.

They said that the AGP Government would work to build a "healthy educational atmosphere" in the State with the cooperation of the students and teachers and work for making education free from corruption.

They advised students to concentrate on their studies and prepare themselves for taking up responsibilities in different spheres of the State's social and economic life.

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CSO: 4600/1354

COMMENT ON BIHAR CPI LEADER'S EXPULSION

Group Leader, Party Paper Edition

New Delhi PATRIOT in English 9 Jan 86 p 5

[Text] Patna, Jan 7—The crisis in the Bihar unit of the Communist Party of India (CPI) which had bedevilled the party for the last few years on account of internal ideological differences has deepened further with the expulsion of veteran leader Krishna Chandra Chaudhary.

Mr Chaudhary has held positions like the leader of the CPI group in the Bihar Legislative Council and the editor of the Hindi daily, *Janshakti*, the party mouthpiece.

The CPI State council took the decision to expel Mr Chaudhary on 2 January in 'utter haste' and on the ostensible charges for having authored a book "Bihar mein Communist Party ka janma aur vikas" (The birth and development of the Communist Party in Bihar). The council has labelled the book as an exercise in "anti-party" activities.

Mr Chaudhary's expulsion barely two months before the CPI national congress meets in Patna from 13 March has been described in the party circles as a "setback" to the organisation. The ideological struggle within the party is bound to sharpen with the expulsion, according to sources.

In a press release issued here this evening, Mr K C Chaudhary has termed his expulsion as mala fide and against party norms.

He has said the party can expel a council member only after getting due approval from the National Council according to the party constitution. However, the leaders have chosen to disregard established norms and the constitution, he said.

According to Mr Chaudhary, the State party leaders have taken the hasty decision to expel him primarily to deprive him from the opportunity to be nominated a delegate to the party congress.

Leader Talks to Reporter

New Delhi PATRIOT in English 10 Jan 86 p 6

[Text] Chandra Chaudhary, a senior CPI leader and a member of the party's National Council, who was expelled on 2 January from the party ostensibly on the charges of anti-party activities, has said his expulsion was a cumulative result of the ideological struggle within the party which he has

been consistently waging since 1978, the eleventh Congress of the CPI held at Bhatinda.

Mr Chaudhary told this correspondent that the Bihar CPI had taken the decision to expel him because the party had been worried about the growing influence of the views represented by him

and the other like-minded individuals.

He said supporters of the ideological stand point for which Mr. Chaudhary stood were increasing throughout the country. Not only him but the partymen critical of the official views of the party and waging struggles within the party were facing prosecution in all parts of the country, he said.

Elaborating on his ideology, Mr Chaudhary said there were four major areas of political views for which he had been fighting inside the party since the Bhatinda Congress.

First "I have been opposing the policy of united front or adjustment with pro-imperialist, castist, communal, regional and

anti-Indo-Soviet friendship parties on the basis of blind anti-Congressism".

Secondly, "on national and popular issues, I favour unity of action with CPI-M, but I have been opposing the endeavour to prepare the ranks of the CPI to merge with the CPI-M without caring for fundamental ideological differences".

Thirdly, "it has been my view that the CPI should lead the struggle of the peasants, workers youths, students and intellectuals against the anti-people policies of the Government, but at the same time, it should actively cooperate in implementing the public welfare programmes of the Government.

/13104

CSO: 4600/1359

PAPERS REPORT OUSTING OF KERALA CPI-M LEADERS

Secretariat Members 'Deviate'

Bombay THE TIMES OF INDIA in English 15 Jan 86 p 9

[Text]

TRIVANDRUM, January 14.

THE Kerala state committee of the CPM has suspended two of its prominent leaders, Mr. M. V. Raghavan, and Mr. P. V. Kunhikannan, MLAs and members of the party secretariat, for deviating from the party's official line.

This disciplinary action has brought to the fore the differences that have been simmering within the party for the past few months.

Mr. Raghavan, secretary of the CPM legislature party and Mr. P. V. Kunhikannan, convener of the opposition Left Democratic Front's state committee, have been suspended for one year and three months respectively.

Another secretariat member, Mr. Puthalath Narayanan, has been removed from the state committee. Mr. P. Chandran, the committee's office secretary, was also removed from his post and the committee.

According to observers, while it is too early to say anything definite about the long term impact of the committee's action, it is unlikely to lead to a major rift. It may, however, affect the

morale of CPM workers, especially in the Malabar region, and create some confusion among them.

CHANGE IN POLICY

In an alternative political note presented at the state conference of the party held in Cochin in November last, the four leaders, along with six others, had suggested a change in the central party leadership's policy that under no circumstances should the CPM align itself with "communal and sectarian" parties like the Kerala Congress and the Indian Union Muslim League (IUML).

Though the note was rejected by the meeting, the central party leadership took serious objection to it and the manner in which its sponsors sought to mobilise support in its favour. Their action was considered to be tantamount to fostering groupism and a serious breach of party discipline.

This is, perhaps, the first time that such serious action has been taken by the party leadership against senior leaders in Kerala.

A few months ago Mr. Chathunni Master, who has for long been associated with the All India Kisan Sabha, was expelled from the CPM. However, according to a party spokesman, a "personal" issue was behind this.

The central CPM leadership is anxious to ensure that the action against Mr. Raghavan and the other three leaders, who have a sizable following, especially in Malabar, does not weaken the party. It has, therefore, decided to convene a series of district and area level meetings, ostensibly to explain the decisions of the Marxists' congress in Calcutta.

The factors which led to the disciplinary action will be explained to partymen at these meetings, which will be addressed by the CPM general secretary, Mr. E.M.S. Namboodiripad.

The leadership hopes that the meetings, combined with the punishment meted out to Mr. Raghavan and others, will put an end to dissidence and restore discipline in the party.

According to one report, Mr. Raghavan and Mr. Kunhikannan have already "confessed their mistake". If so, this would make things easier for the leadership.

The party decided to openly censure the six state committee members who had signed the alternative note. They are Mr. C. K. Chakrapani, Mr. T. Sivadasa Menon, Mr. Imbichi Bava, Mr. V. V. Dakshinamoorthi, Mr. C. P. Moosankutty and Mr. Pattiam Rajan.

Further Details Given

New Delhi PATRIOT in English 15 Jan 86 p 6

[Text]

Trivandrum, Jan 14 — CPI-M Kerala unit is on the verge of a split with the suspension of its prominent state leaders including Mr P V Kunhikannan, convenor of the Left Democratic Front, and Mr M V Raghavan, the party's state parliamentary secretary.

The leadership of the party has come down with a heavy hand on those who had submitted an alternative political line in the party state conference. The are also fell on Puthalath Narayanan, a long time secretariat member who has been removed even from the new state committee. Office secretary of the state committee and treasurer of the AKG memorial trust Chandran has also been removed from his crucial posts and dropped from the state committee.

The politburo of the party is reported to have already taken the decision to eliminate those who stood for an alternative political line. The politburo decision of strong action was communicated to the state committee which had its two-day meeting on Sunday and Monday in Trivandrum.

In an unusual move just before the state committee meeting, party's all India general secretary E M S Namboodiripad camped here for nearly two weeks. It is also to be noted that four politburo members E M S Namboodiripad, B T Ranadive, E Balanandan and V S Achuthanandan, the state secretary, attended the state committee meeting.

The new secretariat which had its first meeting last night finalised the steps to proceed against other leaders who were signatories to the alternative po-

litical line. The prominent leaders who were signatories of the alternative line are T Sivadasa Menon, Imbichi Bava, C K Chakrapani, Pattiani Rajan (all former members of Parliament), C P Moosa Kutty MLA and V V Dakhinamoorthy, a former MLA.

Most of the signatories of the alternative line belong to the Malabar region—the party's citadel in the state. These nine leaders of the state unit had advocated an alternative tactical line in the state conference and in the Calcutta Party Congress against the official stand that the party should have no truck with communal parties like Muslim League and Kerala Congress. However, former Chief Minister and opposition leader E K Nayanar who first opposed the official party line in the central committee was spared.

Though there were only eight state committee members who had signed the alternative line, there were others from among the delegates to the state conference who supported this alternative document.

Soon after the Calcutta Congress, party general secretary E M S Namboodiripad through his recent articles and speeches was taking a firm position against the advocates of the alternative line soon after the Calcutta Congress.

Mr Namboodiripad made a pointed reference to the "unfortunate" position taken by eight state committee members from Kerala in his speech at the party Congress in Calcutta and in the

recent articles in the party organs. He conceded that there was a dispute in the party about the situation in which the All India Muslim League had to quit the Left Democratic Front. Though there were moves to contain these leaders, nobody expected that such punitive action would be taken against the top leaders of the party for expressing an honest ideological and tactical difference within the party forum.

The suspension of M V Raghavan, the stormy petrel who is the most vocal spokesman of the party both in the Assembly and outside, left the CPM without a parliamentary secretary in the assembly. The suspension of P V Kunhikannan who is the convenor of the Left Democratic Front has put the LDF in an embarrassing position.

Since the action has been taken against most of the powerful Malabar lobby, there is utter confusion among the rank and file. Moves are on to take action against a few more leaders. To save the party from this confusion and a possible split, the party general secretary has extended his stay in the state. He along with the state party secretary and new politburo member V S Achuthanandan has planned a state-wide tour to explain the party's position to its rank and file who are confused and dismayed at this new development.

It cannot be ruled out that the advocates of the alternative line who has enough support in the party rank and file cannot engineer a major revolt against the official leadership of the party in Kerala.

Expellees Termed 'Revisionist'

Bombay THE TIMES OF INDIA in English 18 Jan 86 p 23

[Text]

TRIVANDRUM, January 17: Mr. B. T. Ranadive, CPM politburo member, has described the developments relating to the alternative political note sponsored by Mr. V. Raghavan and some other Kerala leaders as "the biggest revisionist threat" faced by the party since its inception.

Addressing the meeting of the party's state committee here on Monday, Mr. Ranadive said, "Immediately after the CPM was formed, a threat arose from sectarianism and we defeated it. It is significant that persons like Mr. Raghavan and Mr. Imbichchi Bava, who had openly expressed sympathy with the Naxalite approach, have now raised the banner of revisionism."

Mr. Ranadive said the disciplinary proceedings against Mr. Raghavan and others were part of a bid to guide erring comrades back to the right path.

He regretted that the partymen had fallen a prey to 'parliamentary opportunism'.

Mr. Ranadive also made a personal attack on Mr. Raghavan, who, he said, was regularly behaving in an egoistic manner.

The secretary of the state unit of the party, Mr. V. S. Achuthanandan, also lashed out at Mr. Raghavan.

The party general secretary, Mr. E. M. S. Namboodripad, regretted that a minority group had fallen into "the cesspool of parliamentary opportunism." They had raised the banner of revolt by ignoring all provisions of the party constitution and organising a group.

He asked the partymen concerned to do some heart-searching and correct their mistakes.

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CSO: 4600/1386

NDP 'OFFICIAL' GROUP UNHAPPY OVER PILLAI'S RETURN

Bombay THE TIMES OF INDIA in English 10 Jan 86 p 6

[Text] Mr. Kidangoor Gopalakrishna Pillai, who is returning to Kerala from Singapore on Sunday next after completing his assignment as India's high commissioner, may find it rather difficult to re-establish his hold on the National Democratic Party (NDP).

Mr. Pillai who was the party chief as well as the general secretary of the Nair Service Society (NSS) until his departure, is reported to be keen on re-entering active politics. He declared that his priority task on his return would be to restore unity in the party which split after he left.

However, the "official" group is far from favourably disposed towards Mr. Pillai. In fact, in a move aimed clearly at preventing him from regaining control of the party, its executive committee elected the NSS general secretary, Mr. P. K. Narayana Panicker, as the party chief at a meeting held in Changanacherry on Monday.

Mr. Upendranath Kurup, who stepped down to facilitate Mr. Panicker's election, claimed that the step had been taken to "improve the present favourable climate" (for bringing about unity between his faction and the group headed by Mr. Therambil Ramakrishnan).

However, according to observers, the step is likely to hamper the unity efforts.

Mr. Panicker's appointment came as an anti-climax to the prolonged parleys held by the rival groups the previous day amid hopes of an early reconciliation.

The first indication of an impending hurdles came from a statement by Mr. Ramakrishnan that the talks would be resumed after Mr. Pillai's return, implying that the former president would play a key role in them.

Political skill

The "official" group acted promptly to forestall any bid by the other faction to help Mr. Pillai recapture control of the party.

Its leaders have taken strong exception to Mr. Pillai's reported statement that he would decide his future course of action "in consultation with the chief minister".

They revealed that they do not want him to participate in the unity talks to be resumed on January 16. They have even gone to the extent of telling party workers that they need not attend receptions in honour of Mr. Pillai.

How Mr. Pillai, known for his political skills, tackles the hurdles remains to be seen.

The "official" group's relations with the CM have been far from cordial ever since Mr. K. P. Ramachandran Nair was forced to resign as health minister by the UDF leadership several months ago in the face of a persistent demand from the rival faction. The berth has since been lying vacant, with the alliance leadership insisting that it will be filled only when the two factions settle their differences.

If anything, the CM's failure to consult the NDP on a mid-term poll and related matters in the initial stage has widened the gulf. Simultaneously, the Kerala Congress has been trying to muster the support of the NSP, as well as the Nair community in general, in its fight with the Congress.

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CSO: 4600/1360

RAMA RAO DISCUSSES REASONS FOR REGIONAL PARTY MEET

Madras THE HINDU in English 11 Jan 86 p 8

[Text] For a political party built around the 900 fan clubs of a film star and is just four years old, the Telugu Desam has come a long way in sophistication and consolidation. The party's 'Mahanadu' (grand meet) in Hyderabad from January 2 to 4 was a remarkable demonstration of its consolidation, when about a lakh and half office-bearers from the mandal level up wore yellow shirts and marched 13 km through the city to the venue of a public meeting where leaders of 13 political parties from all over the country addressed them. It was no doubt a morale boosting event for the Telugu Desam leadership.

The sophistication was seen in the way the Telugu Desam leader and Andhra Pradesh Chief Minister, Mr. N. T. Rama Rao, assembled two Chief Ministers (of Karnataka and Punjab) and leaders of 11 regional parties to give the 'Mahandu' a national perspective. These leaders signed a declaration agreeing to forge a common forum to strive for getting more powers for the States and to work for a "truly federal" Constitution.

Firmly in command

Mr. Rama Rao was firmly in command of his party, as the 1,600 delegates to the general body duly elected him without contest as president. On the strength of the party's constitution amended in May last, he nominated the executive and named the office-bearers. He is yet to nominate his policy planning committee, which is to function as a sort of a party politburo.

Through intensive training camps, ranging from 15 days for legislators to three days for mandal-level office-bearers, the Telugu Desam has succeeded in building up an infrastructure from the village level. The chief coordinator of the training camps, Mr. N. Chandrababu Naidu, a son-in-law of the Chief Minister, was nominated as general secretary. Mr. Naidu was already playing a crucial role in the party as the second-in-command, and the post only legitimized his role.

How did this concept of a forum of 11 regional parties and two national parties take shape? Mr. Rama Rao told THE HINDU in an interview that he was quite optimistic that the idea would succeed. "We wanted to create a friendly

atmosphere in the country among these parties. These are like-minded parties and we agree on many aspects of Centre-State relations. Take for example, drought relief. All the States feel that drought relief should be given by the Centre, keeping in view the extent of damage. I don't find any reason why this forum should not succeed," he said.

Mr. P. Upendra, Leader of the Telugu Desam Parliamentary Party, told our correspondent that the proposed forum "need not be confined to the regional parties because many national parties share the views of the State-based parties on the question of Centre-State relations. In fact, Mr. Ramakrishna Hegde, Karnataka Chief Minister and Janata Party leader, remarked at the meeting (held at the residence of Mr. Rama Rao on January 4) that "many national parties have regional jurisdictions and many regional parties have a national outlook."

'We are not in a hurry'

Mr. Rama Rao and Mr. Upendra are categorical that they do not visualise this forum as an alternative to the Congress (I). Both stress the point that they want to proceed cautiously in giving shape to it, keeping in view the divergent attitudes of the parties constituting it. Asked to comment on the Punjab Chief Minister, Mr. Surjit Singh Barnala's views that the "Akali Dal gives top priority to the implementation of the Prime Minister-Longowal Accord, and we have no time to devote to the formation of a confederation of regional parties", Mr. Rama Rao said he fully understood Mr. Barnala's stand. His feeling was that the Punjab Accord should have settled all the issues at that time, instead of leaving out some to be decided by commissions. "Let us proceed cautiously and slowly, we are not in a hurry at all", Mr. Rama Rao said.

Is he nursing ambitions to play a key role in national politics? Emphatically denying the suggestion, Mr. Rama Rao says he did not come to politics to get positions and posts. Asked about his "shifting stand" towards the Centre, in the context of his praising the Prime Minister, Mr. Rajiv Gandhi, during his visit to Hyderabad in July last as "the hope of the nation", in the wake of the Centre abolishing the Andhra Pradesh Legislative Council, Mr. Rama Rao said it was unfair to suspect his, or other Opposition leader's bona fides on Opposition unity. He had truly felt, he said, that here was a Prime Minister in his forties, showing dynamism in solving the country's problems, and one should not stand on prestige to give him his due. "But subsequent events proved," Mr. Rama Rao said, "that the Prime Minister was unable to solve the mounting problems."

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CSO: 4600/1364

MNF NOT TO INCLUDE TNV IN NEGOTIATIONS WITH CENTER

Calcutta THE TELEGRAPH in English 16 Jan 86 p 5

[Text]

Agartala, Jan. 15 (PTI): The outlawed Mizo National Front (MNF) has refused to include the underground Tripura National Volunteers (TNV) within the scope of the proposed peace settlement with the Centre, official sources said here today.

The sources said the exiled TNV "president," Mr Bijoy Kumar Hrangkhawl, had sent a detailed note to the MNF "council" with proposals to include the Tripura underground outfit within the purview of the current peace talks between the Centre and Mr Laldenga.

The proposal was sent after a TNV council meeting at the rebel "capital" at Singlum in Bangladesh's Chittagong Hill Tracts on November 10. The proposal included a "basic charter of demands" for the Centre's consideration, the sources said.

The officials refused to disclose the contents of the TNV charter of demands immediately, but said they were "extremely sensitive and were likely to trigger of reactions" in the state.

The MNF council reportedly informed the TNV leader that the MNF was "not in a position to vouch for any other organisa-

tion till the peace settlement in Mizoram came through."

The MNF decision was conveyed to Mr Hrangkhawl in the first week of December. The TNV leader then made a fresh request to the MNF leadership to urge the Centre to initiate a "separate dialogue with us to solve the tribal problem in Tripura," the sources said.

The "fresh request" for a separate dialogue with the Centre was duly carried by TNV couriers to the MNF "capital" at Chimmatalang on the India-Bangladesh-Burma tri-junction in mid-December. The MNF council discussed the matter again and decided to get in touch with Mr Laldenga before he left for London.

The sources said Mr Laldenga had sent a message to Mr Hrangkhawl to "wait and have patience till our peace talks are finalised." The TNV leader had "grown desperate to have talks with the Centre for finalising a comprehensive settlement on Tripura's tribal problem," the sources said.

Quoting "reliable intelligence reports," the officials said the TNV hardliners led by "General" Kartick Koloi had reportedly

given a three-month ultimatum to initiate talks with the Centre.

Mr Koloi, the sources said, urged his lieutenants in the TNV's armed wing, the Tripura National Army (TNA), to step up "tax collection" in the state to create a fund for purchasing arms from "private sources" in Bangladesh. This followed a "categorical refusal" by Bangladesh intelligence officials to arrange arms supplies, the sources said.

The TNV has already collected about Rs 25 lakhs since January last year and spent only Rs 8 lakhs so far they added.

35 watch-towers: Altogether 35 watch-towers have been set up in Tripura's border with Bangladesh during the last year and five more will be constructed this month to effectively curb border crimes, according to the DIG, BSF (Tripura), Mr B.N. Bhattacharya.

He told newsmen here on Monday that smuggling and trans-border crimes had been contained considerably following anti-smuggling drives launched by BSF jawans. These also resulted in seizure of contraband goods worth Rs 1.30 crore last year.

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CSO: 4600/1375

REASONS FOR BENGAL FINANCE MINISTER'S RESIGNATION SOUGHT

New Delhi PATRIOT in English 19 Jan 86 p 1

[Article by Ashis Barman]

[Text]

Calcutta, Jan 18 — West Bengal Finance Minister Ashok Mitra has gone underground after leaking the news of his resignation to a friendly editor of a newspaper. He had submitted his resignation to Chief Minister Jyoti Basu yesterday. But Mr Jyoti Basu confirmed the receipt of resignation letter only today.

Later, at the party office, Left Front chairman Saroj Mukherjee read out Dr Mitra's letter of resignation from the party, Ministry and the Assembly. His letter said that due to 'health reasons' his doctors have advised him not to remain in active politics. Mr Mukherjee said that the party has accepted Mr Mitra's resignation from all the posts.

The CPI-M circles here said that if Dr Mitra had not resigned his party membership he would have faced immediate expulsion on charges of indiscipline, for having leaked his resignation news to press without informing the party and taking the Chief Minister by surprise with his action.

He had first resigned as a Minister on the specious plea that he was going on study leave in the middle of last year

and went abroad for two months. It was known in certain circles, that Dr Mitra was not happy over what he confided to his close friends as the compromising attitude of Mr Jyoti Basu government towards the Centre. He wanted to pursue a militant anti-Centre attitude.

Later Dr Mitra was reportedly shocked when the CPI-M polit bureau asked the party to keep the Red Flag halfmast as a homage to former Prime Minister Indira Gandhi, and hailed her as one of the greatest anti-imperialists, in the wake of her assassination.

Dr Mitra also began to resent the fact that Dr Ashim Das Gupta, the chief of the State planning board, with his non-confrontationist attitude towards the Centre and keen on certain developmental programmes for the State, was getting more importance from Mr Jyoti Basu and the party leadership.

A climax reached when Mr Jyoti Basu declared his industrial policy. For Dr Mitra does not agree that the Indian planning and its instruments of control like FERA, MRTP, licensing system, sectoral division between the private and public sector paves the way for the

growth of a self-reliant, independent Indian economy.

True, in an effort to placate him, Mr Basu's policy statement tried to give an anti-Centre slant for inviting multinationals and the Indian monopoly capital to West Bengal.

Evidently this did not satisfy Dr Mitra. The party leadership in its blindness tried to enmesh him with the declared objectives of the industrial policy by asking him to move a resolution on its acceptance at the four-day State party conference last November. For the purpose the leadership nominated him to the State committee of the party at the conference.

Yet, on 16 January, addressing the young businessmen, Dr Mitra warned them that the "entry of multinationals" was ominous. He exhorted that the policy should be "re-examined" in the national interests.

Although the CPI-M leadership is tight-lipped over the actual reasons for Dr Mitra's melodramatic step, many CPI-M leaders privately told this correspondent that both Dr Mitra's resignation and the recent Kerala developments are part of the churning within the party, indicating its confusion.

/9317

CSO: 4600/1382

OUTCOME OF BJP EXECUTIVE MEETING REPORTED

Report on Resolution

Bombay THE TIMES OF INDIA in English 6 Jan 86 p 1

[Text] Chandigarh, January 5 (PTI)--The BJP national executive has described the new economic policy as "pro-rich and anti-poor" since it has created more uncertainty, contradictions and disillusion in the public mind.

Releasing the resolution adopted by the executive during its three-day meeting here, the secretary of the party, Mr V.K. Malhotra, told newsmen today that the four major economic measures--the budget, the new fiscal policy, the new industrial policy and the seventh plan--announced by the Rajiv Gandhi's government in the past year would greatly affect the common man.

He said the measures announced by the government would only increase unemployment and poverty. Asked about the alternatives, if any, being suggested by the BJP, Mr Malhotra said the executive only discussed the economic situation and decided to forewarn the people about the anti-poor stance of these.

The resolution adopted by the party said the first year of Rajiv Gandhi's government had been a year of stagnation marked by a fall in foodgrain production and no marked increase in the rate of industrial output.

'Disastrous' Year

"The first year of the seventh plan has thus been as disastrous as the last year of the sixth plan--which was Mrs Gandhi's final year--and there are no indications that any improvement is in sight," it said.

The BJP took strong objection to Mr Gandhi's assertion at the centenary celebrations of the Congress at Bombay that the Janata government's performance on the economic front was not in the interest of the country.

The party said the fact was that Mr Gandhi's first year compared poorly in every respect with the first year of the Janata government.

The BJP quoted figures pertaining to various fields, including national income, foodgrain production, foreign exchange reserves and industrial production to claim that the economic situation had worsened during Mr Rajiv Gandhi's time.

Budget Assailed

The resolution regretted that in this year's budget direct taxes were reduced in both personal and corporate incomes, thus triggering off the biggest boom on the stock market. Indirect taxes were raised substantially as a result of which prices of essential commodities had been rising, it added.

The party said the same policy had been continued in the new long-term fiscal policy announced by the government under which the direct taxes had been frozen for the next five years "though the present government's life does not extend beyond the next four years."

It regretted that no action had been taken on indirect taxes except indicating that they would be rationalised. The government should have begun with indirect taxes, BJP suggested.

The BJP said it was not enough that the financial policy brought more revenues to the government. "It should not collect more revenues from the poor and let the rich go off the hook," the resolution said.

It said the same bias was evident from the ruling party's "love affair with multinationals" as is clear from the recent changes in the industrial policy under which the distinction between Indian companies and FERA companies had been virtually abolished.

The party said the policy of allowing foreign companies to set up almost any industry anywhere in the country from "making beer to hamburgers" not only ran counter to the principle of self-reliance, but would ultimately result in a big drain on our resources.

It said the excuse of modernisation and technical upgradation that was cited by the Prime Minister and others was not only misleading but mischievous. "India does not need technology to make better hamburgers and beer, but needs to build cheaper houses for millions and cheap, but durable textiles for them."

The BJP also criticised the new textile policy saying it was elitist and had anti-poor bias. The policy placed on par large and powerful companies with tiny handlooms and power looms operating on hand-to-mouth basis.

The resolution said the industry should be certainly modernised and placed on a more viable footing but not at the cost of the lakhs of textile workers. The policy makes "neither economic nor social sense." But it seems to be a deliberate attempt to undermine the country's self-reliance and self-confidence at the behest of foreign agencies who had never concealed their hostility to this country.

UNI adds: The BJP executive suggested a four-point strategy to retrieve the troubled Punjab accord.

In a resolution adopted unanimously, the executive suggested that the report of the Mathew commission be expedited and the transfer of Chandigarh and the Hindi-speaking areas in lieu of it be simultaneous.

In order to dispel Haryana fears regarding the construction of the Sutlej-Yamuna link canal, the resolution said officials of Haryana, Punjab and the Centre should visit the canal site and take all necessary steps to ensure the construction of the canal by August 15.

View on Election Funding

Bombay THE TIMES OF INDIA in English 6 Jan 86 p 1

[Text] Chandigarh, January 5 (PTI)--The national executive of the BJP has strongly viewed that election expenses should be under the public exchequer if the Centre was "really interested" in cleaning politics.

Briefing newsmen on the conclusion of the three-day meeting of the executive here today, the party general secretary, Mr L.K. Advani, expressed surprise as the "summary rejection" of the proposal for public funding of elections by the new chief election commissioner, Mr C.V.R. Sastri.

Mr Advani said the party was surprised that in his first public statement Mr Sastri chose to reject the proposal despite the fact that the finance minister had only recently stated that the proposal was under "active consideration."

Stand on Punjab Accord

Calcutta THE STATESMAN in English 6 Jan 86 pp 1, 9

[Article by Lalit Sethi]

[Text] Chandigarh, Jan 5--Although the Punjab accord "is obviously in trouble and in the doldrums," the BJP has now reversed its stand and ended reservations on it. It would like Chandigarh to be transferred to Punjab on January 26 simultaneously with the transfer of Hindi-speaking areas from Punjab to Haryana.

Mr L.K. Advani, general secretary of the party, made it clear at a Press conference here today that the completion of the Sutlej-Yamuna Link canal was not linked to the transfer of Chandigarh though the canal must be completed by August 15 in keeping with the accord and promises made recently by the Punjab Chief Minister which were "gratifying."

He disclosed that the BJP's Haryana and Punjab units were bound by the directives contained in the party's national executive resolution which, in fact, it had been drafted by a committee of representatives of the two units on it besides Mr Ram Jethmalani and some other leaders. The resolution was unanimously adopted.

"The accord is a device and instrument seeking to end tension in the region, our earlier reservations notwithstanding," Mr Advani added.

He said that no BJP legislator of Haryana would resign from the State Assembly but the party's unit in the State would continue to voice the resentment and grievances of the Haryana farmer over the use of river waters. There was no directive to the party unit to withdraw from the agitation.

Mr Advani claimed that "we have adopted a constructive approach." It is the responsibility of the Centre and Punjab to implement the accord fully. He deplored threats by the Chief Minister of Punjab to resign and Haryana to prevent action on the accord. "The Government of India having signed the accord must not allow things to drift," he said.

Terrorism

The national executive resolution said: "The BJP is happy that following the accord, the democratic process has been restored in the State, and communal tension has abated. It must, however, be acknowledged that incidents of terrorism and violence continue to occur. The authorities must take adequate steps to put an end to these."

The areas to be transferred to Haryana had not been identified by the Mathew Commission before December 31 as stipulated in the accord. Other territorial claims and counter-claims were supposed to be settled by another commission. But almost six months later this second commission had not even been appointed, the resolution said.

The BJP said that Central Government officials and those of the Haryana as well as Punjab Governments should visit the link canal site and make an on-the-spot survey to ensure that construction of the canal was completed by August 15.

Under the accord, the claims of Punjab and Haryana on river waters were to be referred for adjudication to a tribunal presided over by a Supreme Court judge with a decision within six months. Even though five months have elapsed the tribunal had not even been appointed. The BJP demanded that this be done without delay.

The party said that natural resources like river waters were national resources which must be shared by the States for optimal use in the national interest. This should be the guiding principle before the tribunal.

Divergent Views

PTI adds: Members from Haryana at the BJP's national executive virtually isolated the party vice-president, Mr Ram Jethmalani while discussing the Punjab accord with the latter opposing the Haryana and Sangharsh Samiti agitation.

Haryana members opposed the stand of Punjab members when the latter favoured Chandigarh being transferred to Punjab on January 26. The latter, however, supported the stand of their Haryana counterpart that work on the construction of the Sutlej-Yamuna link canal should be accelerated to complete it on August 15.

Both BJP president, Mr Atal Behart Vajpayee and Mr Jethmalani at a public meeting later this afternoon admitted to divergent views expressed by members from Haryana in the executive.

Election Expenses

The BJP strongly feels that election expenses should be under the public exchequer if the Centre was "really interested" in cleaning politics.

Mr Advani expressed surprise at the "summary rejection" of the proposal for public funding of elections by the new Chief Election Commissioner, Mr C.V.R. Sastry.

Mr Advani said the party was surprised that in his first public statement Mr Sastry chose to reject the proposal despite the fact that the Finance Minister had only recently stated that the proposal was under "active consideration." On the other hand the Prime Minister had also opposed the proposal. "This shows the confused state of mind of the ruling party," Mr Advani said.

Regional Party Forum Welcomed

Calcutta THE STATESMAN in English 7 Jan 86 p 9

[Text] Chandigarh, Jan 6--Mr Atal Bihari Vajpayee admitted here today that the BJP or other Opposition parties, national and regional--even if together--could not provide a national alternative to the Congress (I) at present. "But this could change in four years when general elections were due."

The BJP president, however, welcomed the formation of a forum of regional parties at Hyderabad. It should help them view their State's problems from a national perspective. The forum was not anti-national, he told a Press conference here today after the three-day meeting of the national executive of the party.

Mr Vajpayee said that the coming together of national parties was different from that of regional parties. Even though they could not yet join hands, they could work together for electoral reforms.

He insisted that in spite of his party having allowed its president to continue for a third term of two years, he would like to make way for another leader as he had already served in the office for five years. He would, however, continue to serve the party as a member.

Mr Vajpayee said that the Congress centenary celebrations were organized by the ruling party and the eight Governors should have stayed away. These were not national celebrations as the former Congressmen outside the Congress(I) were not invited.

He deplored that the Prime Minister was denigrating the office of the President of the republic by not observing conventions. The Prime Minister must report to the President, especially on his overseas visits.

Commenting on the performance of Mr Rajiv Gandhi on his first year, he saw "a gap between image and reality." Mr Vajpayee said Mr Gandhi and the Pakistan President had met six times. As the terrorists in Punjab were helped from across the border, "did the Prime Minister raise the issue with Mr Zia-ul-Haq and what was his response? Did he promise to stop the violent actions. The first question with Pakistan should be that they must stop terrorists' training."

He said that security of life was the Punjab Government's primary responsibility. The Akalis must be worried over increasing violence in Punjab. There must be a design behind it. The killings were not sporadic. There could be forces which did not wish the Akalis to settle down in office. He thought that Chandigarh could be transferred by issuing a Presidential Ordinance.

He criticized the killing of landless farmers and BJP workers by the Naxalites in Andhra. They were indulging in terrorism. The three Naxalite groups in the State and the Government should stop their violence. It was not dealing with them firmly. Mr Vajpayee said although his party supported Mr N.T. Rama Rao, it was opposed to the Bill seeking to curb the Press.

Stand on Union Carbide

Calcutta THE STATESMAN in English 7 Jan 86 p 9

[Text] Chandigarh, Jan 6--The BJP has demanded the takeover of all Union Carbide plants in this country by the Government in a resolution passed by the party's National Executive at its three-day session and released by Mr Atal Bihari Vajpayee.

It said: "The Bharatiya Janata Party regards it as preposterous for Union Carbide to plead before an American court that the gas leakage in Bhopal occurred because of terrorist mischief. It is gratifying the U.S. Judge

has dismissed this mischievous contention. The BJP executive feels that the Government would be well-advised to consider the takeover of all plants owned by Union Carbide in this country."

"The National Executive feels anguished that even in the matter of providing relief and rehabilitation to victims of the gas tragedy, the Government has been callous and negligent. The foodgrain ration being supplied to them has been discontinued--the BJP demands immediate restoration of ration supply and also creation of a special monitoring cell to ensure the task of their relief, rehabilitation and medical care is accorded highest priority."

The party demanded the Central Government should set up a new commission of inquiry headed by a Supreme Court judge to pinpoint responsibility for the tragedy. The winding up of the N.K. Singh Commission "is essentially in the nature of an operation cover-up, intended to conceal the sins of... the multinational which owns this plant and...the unholy nexus which has subsisted between the ruling party and this multinational," it said.

Between 1981 and 1983 there had been a series of accidents in the plant involving several fatalities. Every time protests were made in the State Legislature and the Press and the demand was made that the plant be moved away from the city, Government spokesman would rush to the rescue of the plant management.

Change in Nuclear Policy

Bombay THE TIMES OF INDIA in English 7 Jan 86 p 1

[Text] Chandigarh, January 6--The BJP chief, Mr A.B. Vajpayee, today put two posers to the Centre on the reported terrorist traffic into Punjab from across the international border and Pakistan's nuclear threat.

Addressing a press conference after the three-day session of the party's national executive here, Mr Vajpayee stated that if Pakistan was indeed training terrorists for operations in Punjab, it constituted "an unfriendly act."

He wanted to know whether the Prime Minister, Mr Rajiv Gandhi, had raised this vital issue in any of his six meetings held so far with President Zia and if so, what the outcome had been.

Regarding the nuclear issue, Mr Vajpayee raised three basic questions. Has the government, in total contradiction of all its earlier pronouncements, now concluded that Pakistan's nuclear programme was entirely peaceful? Has Pakistan satisfactorily explained its use of enriched uranium from Kahuta?

Lastly, when the U.S. president is unable to certify to the U.S. Congress about Pakistan's nuclear potential, what has persuaded India to approach the issue in a manner that hamstrings the country's defence?

Unless these questions were answered clearly, our nuclear policy will remain suspect, he said.

The BJP president expressed the view that there had been "a volte-face" in respect of the nuclear policy. He said the government should take the country into confidence about its assessment of Pakistan's nuclear threat and India's response to it.

"We feel the Prime Minister is not betting the right type of advice on such a delicate question," Mr Vajpayee said.

The BJP chief also released the resolution adopted by the party's national executive.

The resolution on the Bhopal tragedy strongly condemned the Madhya Pradesh government's decision to "summarily wind up" the Justice N.K. Singh commission. This was intended to conceal the "nexus which has subsisted between the ruling party and the multi-national," it said.

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CSO: 4600/1354

RESERVE BANK ISSUES GLOOMY CURRENCY, FINANCE REPORT

Bombay THE TIMES OF INDIA in English 8 Jan 86 p 9

[Text] Bombay, January 7--The Reserve Bank of India has warned about the difficult balance of payments position in the current financial year. It has pointed out that foreign exchange reserves (including gold and SDRs) have increased by only Rs 45 crores during the first six months of the current year against Rs 765 crores in the same period last year. Excluding transactions with IMF, the increase in reserves amounted to only Rs 174 crores against Rs 614 crores.

The RBI has warned that the constellation of factors such as flow of external assistance, trade environment, debt service obligations and the faster rate of imports growth affecting the medium term prospects of the country's external payments situation are far from encouraging. There are hardly any possibilities for further raising substantially the domestic crude oil output.

Trade Deficit

In this context, export growth assumes critical importance. While export earnings in the first four months of the current year were marginally higher than in the same period last year, the imports bill has risen by nearly 30 percent and the trade deficit was at a higher level of Rs 3,079 crores, showing a steep increase of 81 percent over the same period last year. Thus, although exports may pick up during the coming months, the balance of payments will need to be kept under watch.

The "Report on currency and finance, 1984-85" points out that the performance of the economy in 1985-86 may turn out to be better than in 1984-85, given the assumption of industrial growth of around 6.5 percent for the year as a whole. The three successive years of good growth would provide the base on which to build the capability of sustained growth of five percent envisaged in the Seventh Plan, and also to face the medium term problem of resource constraints and balance of payments viability.

Kharif Output

The report points out that the output of both paddy and course grains in the current year may exceed last year's output. Production of pulses is expected to rise by 10 percent. Overall, the kharif harvest may be around 85-87 million tonnes, marginally higher than last year. The rabi foodgrains output may set a new record with the wheat output touching 48 million tonnes.

Thus, although foodgrains output during 1985-86 may not reach the target set, it may reach the level of around 156 million tonnes. Prospects of non-foodgrains crop are, however, not encouraging. While production of jute, mesta and tea may be higher, that of sugarcane may be around the same level last year. The outlook for oilseeds has been adversely affected by drought conditions in major groundnut growing areas.

The report points out that an assessment of prospects of industrial production during 1985-86 is somewhat difficult. Industrial production recorded a growth of only 6 percent during the first quarter (April-June) against 6.8 percent during the corresponding period of last year. The report forecasts that industrial production may be sustained at least at the rate of 6.3 percent witnessed in 1984-85.

Money Supply

The expansion of money supply (M3) during the first half of 1985-86 (up to September-end) at Rs 6,077 crores, or six percent, has been lower than in the same period of last year (Rs 6,683 crores or 7.8 percent).

The report points out that with the relatively smaller monetary expansion during the first half of the year and the cautious stance of the credit policy for the busy season, monetary expansion might be restricted during the year to a level lower than that in the preceding three years.

The decelerating trend in the inflation rate in evidence during the second of 1984-85 has continued during the current year so far. The rise in the wholesale prices during the first four months of the current year at 5.7 percent was significantly lower than the rise recorded in the same period last year. The annual rate of inflation at the end of July 1985 was also much lower. On the whole, the inflation rate during 1985-86 is likely to be much lower than the 7.4 percent increase recorded last year.

The RBI has, however, warned that while the overall price trend is one of moderation, there are pockets of price rise, especially in the case of essential commodities like cereals despite the huge stocks, and of sugar despite imports.

Although the capital market has been buoyant in recent years, there are indications of resource constraints emerging as the factor inhibiting growth in the medium term. This calls for strenuous efforts to improve the savings rate, particularly of the public sector, the report points out.

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CSO: 4600/1371

EDITORIAL URGES STEPS TO LOWER PRICES

Bombay THE TIMES OF INDIA in English 18 Jan 86 p 8

[Editorial]

[Text] The most recent estimates of the gap that is likely to emerge this year in India's foreign trade account show beyond any reasonable doubt that the country is headed for a crisis that, if not averted, will smash its industrial growth, unleash an inflationary spiral, and force it into an unplanned and untimely devaluation of the rupee. In the first five months of 1985-86, imports have jumped by 25 percent, but exports have declined by 3.4 percent. If these trends continue, there is every reason to fear that the trade deficit will exceed Rs 9,000 crores against Rs 5,260 crores in the previous year. Since the inflow of foreign exchange on the "invisible" account (remittances, tourism earnings and so on) and the net long-term bilateral and multilateral aid are not likely to exceed Rs 5,000 crores, the country will have to draw down its foreign exchange reserves and borrow heavily on the world money market--far more heavily than its own estimates show will be prudent to do. Unfortunately, there is no quick way of stemming the drain of foreign exchange either. Import licences under the liberalised policy have already been issued and cannot be revoked. Thus, even a sharp reversal of the current import policy is not going to stem the decline in reserves this year.

How is the present trend to be reversed? One glib answer is to devalue the rupee. In fact, pressures for a devaluation of fifteen percent or so are already beginning to mount. It is being argued that a timely devaluation now will avoid a much larger "crisis" devaluation a year from now. But a close examination of the possible consequences show that devaluation by itself will offer no solution. To begin with, unknown to most people, since March 1984 the rupee has already been devalued by more than 15 percent against the stronger European currencies and by about eight percent against the dollar. Since it is precisely in this period that exports have stagnated and imports have risen, clearly other factors are at work which need to be tackled first. The most obvious one is the enormous pent-up demand for consumer durables, which is now being met in a variety of ways through import liberalisation. When cars, television sets and video recorders are being put together with a screwdriver for sale in the local

market, it is obvious that even an outright ban on import of these commodities will achieve nothing in the absence of a ban on the import of components. The spurt in capital goods imports can be traced not only to import liberalisation but also to the growing uncompetitiveness of domestic products. This is the result of continued high domestic taxation in the face of lowered import duties, and the high cost of domestic raw materials, notably steel, non-ferrous metals, basic chemicals and power, all of which are determined by the government itself. Devaluation can check both these types of imports, but only when it is of a very large order, say of 40 to 45 percent. Such a sharp devaluation will raise a host of other problems: To begin with, unless exports rise by more than the fall in the value of the rupee it will actually reduce the country's earnings in foreign exchange. Such a sharp increase is by no means a foregone conclusion. Secondly, devaluation will be effective only if its effect on export prices is not nullified by inflation. But in Indian circumstances where the government is seldom able to resist wage demands and where the public sector is only too anxious to raise prices on any pretext, a large part of the cost advantage that it confers on the country will be neutralised by the resulting increase in the price of exports.

This does not mean that the government should rule out devaluation completely. But it must recognise that it is no substitute for the rationalisation of indirect taxation and a reduction of basic materials prices to levels that are not too far out of line with world prices. The former can be done easily by lowering customs duties to levels of not more than 15 to 30 percent and then integrating these with a value added tax on manufactured goods. But the government has ducked this challenge in its long-term fiscal policy on the largely spurious ground that this is a complex subject and needs closer study. Reduction of basic materials' prices should ideally come from a rise in the efficiency of the public sector. But the external account is so precarious that the government will be unwise to wait until this is done. A far better course will be to bring down these prices, accept the resulting short-run losses, and set the public enterprises the target of minimising these in the future.

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CSO: 4600/1378

BANK CHIEF SEES GOOD SPRING HARVEST, ECONOMIC PROSPECTS

Bombay THE TIMES OF INDIA in English 20 Jan 86 p 9

[Text] Madras, January 19--The Reserve Bank of India governor, Mr R.N. Malhotra, told newsmen here today that the prospects on the economic front were bright.

Mr Malhotra said the rabi crop position was good following rains in October. The food production might be close to target. It could be a bumper crop in some areas. Kharif production might not fall much below the target. On the whole, the agriculture year was good despite drought in Karnataka and in parts of Gujarat, western Madhya Pradesh, Maharashtra and Andhra Pradesh.

Price Trends

Growth in the industrial production averaged six percent. Production in a few industries such as manufacture of buses, commercial vehicles and consumer goods had jumped up. It was 60 percent over the previous year in the case of passenger cars and 30 percent for mopeds and scooters. But the demand did not increase by the same degree. It was a mismatch of supply and demand of a temporary nature, he said.

On price trends, Mr Malhotra observed that the increase in the wholesale price index from April last year to January at 2.9 percent was "very satisfactory." At the end of the current financial year, the rate of inflation would be below last year's 7.2 percent, he added.

The RBI governor noted that the inventories and supply position was good. Sugar shortages have been made up through imports. Edible oil supply position was also good. Cotton and jute supplies were more than adequate. Prices were showing a decline, he said, citing the case of edible oil.

Indian exports had not shown great buoyancy owing to a steep decline this year in the volume of world community trade which, he said, grew at 2.5 percent compared to last year's nine percent.

India's imports had gone up considerably, essentially on account of bulk imports, following the government's "discreet" decision to do so. The largest increase was in oil--crude and crude products--as the demand for these increased at the rate of 7.5 percent, while the domestic production rose at the rate of 3.5 to four percent. Fertiliser consumption had risen despite the increase in domestic production, necessitating imports. Steel and to some extent sugar and edible oil were also imported, he noted.

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CSO: 4600/1384

EASTERN STATE MINISTERS MEET TO DISCUSS AGRICULTURE

Sen Committee Recommendations Welcomed

Calcutta THE STATESMAN in English 9 Jan 86 pp 1, 9

[Text] Patna, Jan 8--The Chief Ministers of Bihar, West Bengal, Orissa and Uttar Pradesh who assembled here to discuss the implementation of the S.R. Sen Committee's recommendations on "agricultural productivity" in the eastern States at a two-day conference were unanimous in their demands for greater assistance from the Centre to the eastern zone which has hardly benefited from the Green Revolution and where farm production continues to be the lowest in the country.

Indeed the tone of the conference was set by the Union Agriculture Minister, Mr Buta Singh, who in his inaugural speech conceded that the eastern region had lost its relative standing in agriculture due to a variety of reasons. He said this region had the highest concentration of population though the per capita foodgrain production here was the lowest in the country.

Interestingly, Mr Jyoti Basu of West Bengal, the only non-Congress(I) State Chief Minister participating in the conference, joined hands with Mr Bindeswari Dubey of Bihar, Mr J.B. Patnaik of Orissa and Mr Vir Bahadur Singh of Uttar Pradesh in welcoming the Sen Committee's recommendations and promising to implement them with all sincerity. What the four Chief Ministers emphasized most was one of the recommendations which suggested larger Centrally-assisted schemes for these States to boost farm output. However, Mr Buta Singh was quick to give the Centre's view that though the Sen Committee had recommended the allocation of additional resources to the eastern States under Centrally-sponsored schemes over and above those already allocated in the State Plans, it was not easy for the Centre to find additional resources for the States concerned.

While expressing his disappointment with many of the eastern States for not taking full advantage of the Centrally-sponsored schemes for rice development, he asked the participating States to double the use of institutional finances by toning up cooperatives and public sector institutions and to provide matching provisions in their agriculture budgets for all the Centrally-sponsored schemes.

Mr Jyoti Basu in his speech pointed out the existence of what he called "semi-feudal" land relations and dependence on common farmers on "semi-monopolistic interests" in rural areas as one of the major constraints in agricultural development in the eastern region. The Marxist Chief Minister laid emphasis on land reforms which he termed "crucial" for increasing farm production. Mr Basu went on to enlist the work done by the Left Front Government in West Bengal in the field of land reforms and claimed that nearly 70 percent of the farm land is either owned by small and marginal farmers or was being operated by recorded "bargadars."

Mr Basu expressed reservations about the Sen Committee's recommendation on "free leasing in and leasing out of land" because such a step would come to conflict with the security of "bargadars."

Mr Basu cautioned that mere increase in production would not be enough unless a fair price for common producers was ensured. The West Bengal Government on its part had decided to launch a comprehensive programme of building, storing and marketing facilities for farm produce during the Seventh Plan.

Mr Basu strongly appealed to the Union Government to consider urgently the introduction of an insurance scheme which would protect at least the cost of production of crops against natural calamities.

Sharing the concern expressed by the West Bengal Government, the Bihar Chief Minister, Mr Bindeswari Dubey said that in agriculture marketing the main problems faced by the farmers were unremunerative prices fixed by the Union Government for wheat and rice which he said were "unrealistic" and did not take into account the local conditions in terms of cost cultivation and productivity. The result had been that the farmers had to sell their produce at throwaway price during the harvest season.

Mr Dubey said that Bihar had been at the bottom among the backward States in the country with the lowest per capita income. The Chief Minister regretted that Bihar had the lowest per capita outlays in the successive five-year Plans leaving it with little scope to tackle the serious "geophysical" problems.

On the other hand, the Orissa Chief Minister, Mr J.B. Patnaik asked why "a white revolution" in rice production could not be launched in the eastern region since the Green Revolution was confined only to wheat-growing areas of the northern States. While demanding 100 percent assistance for Centrally-sponsored schemes, Mr Patnaik asked the Centre to declare the remote tribal villages "national block headquarters" to ensure supply of fertilizers at "pool price." Mr Patnaik demanded Central grants for completing canals under the command area of Rengal and Upper Kolab irrigation reservoirs which remained unutilized because the canals were not constructed.

Mr S.C. Panda, Orissa Agriculture Minister, told the conference that 38 percent of the State's population were Scheduled Castes and Scheduled Tribes who needed the urgent attention of the Central Government to give protection to the crops in the event of failure of monsoon.

Consensus on Productivity

Calcutta THE STATESMAN in English 10 Jan 86 p 9

[Text] Patna, Jan 10--The consensus at the conference to discuss the Sen committee report to increase farm productivity in Bihar, West Bengal, Orissa and Uttar Pradesh was in favour of increasing the annual rate of foodgrain production from two percent to six percent by a drastic reorientation of policies as per the recommendations of the committee.

The conference, which was to continue for the second day today, concluded its deliberations yesterday only after the Chief Ministers of the four States vociferously demanded higher Central grants to implement the Sen committee recommendations. The lead was given by the Uttar Pradesh Chief Minister, Mr Vir Bahadur Singh, who demanded Rs 4,500 crores as additional grants from the Centre to take up the follow-up measures in 16 districts of eastern Uttar Pradesh comprising Alahabad, Varanasi, Gorakhpur and Faizabad divisions identified by the Sen committee.

Rejecting the Union Agriculture Minister's observations that the States concerned should mobilize their own additional resources for the purpose, the U.P. Chief Minister said that "it is impossible for the State to find additional resources."

Mr Singh reminded the Centre that even the Sen committee had recognized the fact and acknowledged that "it would not be possible to accommodate this need within the normal State Plan ceiling of the next two Five-Year Plans without adversely affecting other priority sectors."

The committee in its findings has revealed that while the increase in farm productivity between 1960 and 1980 was 45 percent for the whole country, the eastern States' growth was 27 percent, the northern States' 80 percent and the southern States' 57 percent. The dismal growth in eastern States was attributed to low investment in agriculture, irrigation and rural electrification.

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CSO: 4600/1362

REPORTER TELLS IMPACT OF DROUGHT IN KARNATAKA

Bombay THE TIMES OF INDIA in English 13 Jan 86 pp 1, 9

[Article by E. Raghavan]

[Text] Bangalore--The drought in Karnataka this year has wrought agony not just to an individual or a family or, for that matter, of a small community. It is the agony of a mass of people economically crippled. Agricultural activity has come to a grinding halt.

For millions of agricultural labourers, small and marginal farmers in 18 of the 19 districts in the state, life has become a painful existence. For most of them there is no work to earn subsistence wages.

Even a frugal meal of jowar rotis or "rgi muddee" (rabi ball), the staple diet of the rural folk in northern and southern Karnataka, respectively, has become difficult to procure. It is not the foodgrains are in short supply. It is that there is not enough money to buy the essentials.

Work is one thing that is eternally in short supply. In the case of cattle, it is fodder. If these two things are provided, the rigours of the drought would not be felt that intensely. But right now, the prospects are gloomy and anxiety is writ large on every rugged face one encounters in the drought affected areas. The authorities are equally concerned about the situation in every district.

For nearly half the population of the state affected by the drought it is a long wait from now to the onset of the south-west monsoon in the middle of June. The economy of the state and the life of its people depend on this season.

Identical Situations

Across the Tungabhadra in the rich black cotton soil area, the picture is dreary. In pockets where irrigation is available, farmers have raised either a poor kharif crop or are awaiting harvesting an equally poor rabi crop. But in all other parts of northern Karnataka where farmers depend entirely on the rains whatever was sown during the kharif and the rabi seasons has gone waste.

Except for some local variations, the drought situation is similar in all the northern districts. The difference is only in its impact. People in districts that are drought prone such as Gulbarga and Bijapur, have taken the situation in their stride. But it is the people in Dharwad who are the worst hit since they have never experienced a hardship on this scale-- either in its extent or its intensity.

For instance, the rainfall in Dharwad this year has been the lowest in 52 years. Against a normal precipitation of about 700 mm, this year only 443.8 mm rain was recorded. As a result, all the 17 talukas and every one of the 1,322 villages are affected. The official figures indicate that nearly 20 lakh people and 10 lakh cattle are in need of succour.

Barring some irrigated areas, the landscape in Dharwad district is quite desolate. Withering rabi crops standing on acres and acres of black soil, dry tanks, frail, bent human figures, endless streams of women carrying pots to bore-wells and emaciated bullocks and cows provide a montage vividly portraying the hardship the scarcity has brought.

For those on their first visit to Dharwad, it is difficult to visualise the intensity of drought. But to those who have seen the landscape in a normal year when during this season the jowar crop stands as tall as a human figure, when the animals are plump and look healthy, when the cotton fields are gay with white fluffy pods and when the chilli crop is ready for harvest, it is easy to understand the intensity of drought.

The farmers had extensively sown seeds both during the kharif and rabi seasons. Wherever there was scanty rainfall during August and September the rabi crop is stunted. Since there was no rain during the critical period, there is no corn formation either.

The frail stalks of jowar are so withered and dry that they are useless even as fodder. That is one reason why farmers have not cut the crop. They have instead allowed it to die.

In the case of starving cattle, farmers have sold bullocks and cows in distress often at a tenth of the price they had originally paid. According to unofficial estimates about 5,000 to 6,000 animals were sold to slaughter houses whose agents made a bonanza. That is when the authorities stepped in. They posted revenue officials at cattle shanties, prevented distress sale and moved the animals to goshalas.

Seven such cattle sheds have come up in Dharwad where nearly 2,500 animals are looked after reasonably well. Another four goshalas are to be opened in about a month's time.

However, farmers with some cash flow have not depended on the government to look after their animals. They have gone to distant markets in Uttara Kannada and Raichur to buy fodder at exorbitant prices. A truck load of fodder which used to cost around Rs 500 is now priced at Rs 1,500.

"We can't help but pay this price. After all the bullocks are not merely animals. They are our farm equipment and they have a soul even if they are dumb," a distraught Shivappa explained. He had bought two cartloads of fodder from Harihar and was carrying it to his village, Hulihali, in Ranebennur taluka.

In Dharwad there are others, more affluent, who have set up reasonably large private fodder banks to take care of their animals till the next season. It is the less privileged farmers who are badly hit. As their stocks of fodder deplete, many of them drive their animals to the goshalas.

Work for a large agricultural force is also in short supply. Although the government claims to have provided jobs to about 70,000 persons, it is apparent that this is inadequate. Some officials who do not wish to be identified, maintain that this figure is exaggerated and put those actually provided jobs at 20,000 persons.

The authorities now plan to take up major works like excavation work for the Malaprabha right bank canal to provide jobs for an estimated 1.34 lakh persons in the next few months. They intend starting the canal work next week to employ over 15,000 persons for which labour camps will also be set up.

Right now drinking water is not a scarce commodity although it is inadequate. That is because people have had to share available water with the cattle.

In several talukas like Mundargi, Gadag and Ron, people complained that scarcity relief works were taken up intermittently and that employment provided was not regular. Irregular flow of funds from the government to the district authorities is held as one of the reasons for this state of affairs.

Since the employment generation schemes have a heavy emphasis on the labour component, the scarcity relief works can help only to an extent. As a political activist in Mundargi taluka put it, "there is no point in building a link road that is washed away in two rains. Instead of spending Rs 20 lakhs annually on drought relief works, the government can very well take up lift irrigation schemes, tapping the Tungabhadra waters. That will solve our problem."

The district authorities have started raising about 45,000 tonnes of fodder to meet the requirements of the goshalas. For farmers who tend their own animals, transport cost in procuring fodder is met.

Hard pressed as they are, the authorities are keeping their fingers crossed. They are worried about the summer months when not only fodder and employment will be in short supply, but the water table is likely to go down. If that happens, drinking water will become a scarce commodity. And that is a situation everyone dreads to think of.

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CSO: 4600/1366

COMMERCE MINISTER: PROTECTIONISM HITS EXPORTS

Calcutta THE STATESMAN in English 9 Jan 86 p 15

[Text] New Delhi, Jan 8--The Commerce Minister, Mr Arjun Singh, today said that the downturn in some of the major world economies and reduction in the unit value of many commodities exported by India were beginning to affect the country's exports, reports UNI.

In addition, he said, the international trade environment was becoming disadvantageous to developing countries with developed countries, though advocating free trade, resorting to protectionism.

Mr Arjun Singh was giving away the national export awards for 1981-82 and 1982-83 in the absence of President Zail Singh, who could not come due to indisposition.

The President, however, sent a message of goodwill on the occasion.

Referring to the demand for "adjustments" by some advanced countries, Mr Arjun Singh said it would mean "poverty and not prosperity" for developing nations.

He pointed out that during the first four months of the current financial year exports had shown only "a very marginal increase," partly because crude oil was not being exported any more.

Trade Gap

On the other hand, imports registered a 25 percent increase, leading to a wider trade gap.

The Minister, however, attributed the higher imports largely to increased imports of raw materials, fertilizer and essential consumption items and observed that the demand for these items was going to be "considerable" during the Seventh Plan in order to sustain the targeted industrial growth of eight percent and agricultural growth of four percent.

It was therefore necessary to redouble the export effort so that these imports could be secured "with a manageable debt profile," Mr Arjun Singh said.

"This is the challenge which the exporting community must accept," he exhorted.

The key to successfully doing so, he said, lay in recognizing the adverse international environment and quickly adapting to it, be it in increasing production, expanding and diversifying exports or finding new markets.

The Government on its part, he said, had taken a series of measures to remove irksome constraints and ease regulations. It was now for the trade and industry to take advantage of the liberalized policies.

"What we look forward to is the Government industry and trade collectively tackling the problems and solving them without delay," the Minister said.

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CSO: 4600/1362

INDIA

CONCERN EXPRESSED OVER FALL IN EXPORTS

Calcutta THE STATESMAN in English 13 Jan 86 p 9

[Text] New Delhi, Jan 12--India's external trade in the current financial year appears to be in the doldrums. Imports have soared by 25 percent and exports declined by 3.4 percent between April and August 1985.

As a consequence, the trade deficit in the first five months of the current year has inexorably widened to Rs 3,805 crores against Rs 2,158 crores in the same period in 1984.

Official circles concede that the dramatic rise in trade cannot be brushed aside as a "temporary aberration" and the trends are ominous enough. They no more claim that liberalization of imports has little to do with the sharp rise in imports. It is feared in official circle that imports will go up further to reflect them in the trade deficit as the full impact of the Government's policy of liberalization and other economic measures is felt.

Official circles are now re-doing their sums on the country's external trade. The export performance is certainly falling much short of the Union Commerce Ministry's earlier expectations. The unhappy picture of external trade, in the wake of the dim prospects of foreign aid is causing concern to the Finance Ministry and the Planning Commission.

According to one official estimate, the country's imports at the end of the current year will easily gross Rs 20,000 crores. Which means that the trade deficit in the current year is going to be Rs 5,000 crores.

The increased flow of capital good imports is to be traced to liberalized imports. The "thoughtless" import of capital had been done by major public sector undertakings. Import of capital goods for 13 selected industries had been liberalized in 1978. The three-year import-export policy announced in April last year, included 200 more items of industrial machinery and equipment in the open general licensing list in the name of upgradation of technology and reduction of capital costs of projects. Further, the Union Budget for the current year reduced import duty on capital goods and abolished duty on import of capital goods required for fertilizer and power projects.

Apart from the raising imports leading to the further widening of trade deficit, the Government's liberalized import policy and other economic measures have already begun to cause havoc upon domestic industries. This development has inevitably forced them to curtail utilization of their own manufacturing capacities.

First Victim

According to Union Industry Ministry sources, the State-owned Bharat Heavy Electricals Ltd, the country's largest manufacturer of power generation equipment is the "first victim" of the Government's liberalized import policy, particularly capital goods. BHEL has received orders for the entire seven-year Plan period for 10,300 MW for thermal and 2,080 MW for hydro generation sets.

It was pointed out by official sources that the acute shortage of rupee resources has forced many public sector projects to depend upon externally raised funds which are accompanied by the stiff conditions of linking technology import to plant and machinery. This is happening in the case of gas-based fertilizer projects, it was stated.

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CSO: 4600/1368

GANDHI ADDRESSES SCIENCE CONGRESS' LAST SESSION

New Delhi PATRIOT in English 8 Jan 86 p 1

[Text]

Mediocrity from within and red-tapism from outside have been identified by Prime Minister Rajiv Gandhi as the two major bottlenecks confronting the scientific community.

Addressing the concluding session of the 73rd Indian Science Congress in the Capital on Tuesday, Mr Gandhi appreciated the "tremendous constraints under which the scientists worked. But at the same time he complained of a tendency among them to rest content on their laurels, which in the long-run undermined a part of the good work done by them.

The Prime Minister exhorted the scientists to address themselves to 'frontline' science, where the idea should not be to merely repeat or improve on scientific endeavour abroad. And this, he said, can best be done when the individual scientist is aware of what the country expected from him.

In India, where the colonial period had considerably undone scientific progress, S&T should become a tool for social progress, a tool for ending poverty. The basic resolve of S&T should be towards the welfare of the poorest of the poor, he said.

The Prime Minister lambasted the concept of appropriate technology, which he said implicitly recognised the extremely dangerous view that the poor can do with the second best. "The idea should be not to lag one step behind the developed world, but to keep pace with them", he added.

Mr Gandhi identified energy, oilseeds and hi-tech in certain areas as three new frontiers of Indian science after the country had managed to turn the tide in the spheres of space research, food production and nuclear

research.

Admitting that the amount spent on S&T research was "too little", he, however, wondered why industries were so inimical to going to universities and interacting with laboratories to develop themselves. He said that the public sector units have been directed to ingratiate with universities so that both may prosper.

Apart from outlining the 'thrust areas' where scientists must strive for 'top-grade, frontline stuff', he exhorted scientists to wriggle out of lethargy and meet challenges which are waiting to be tackled.

Earlier, the Prime Minister received the Smithsonian Conservation Medal on behalf of his mother, to whom it has been conferred posthumously, for her 'outstanding contribution to zoological science and conservation.

The medal was presented by visiting American scientist Prof Dillon Ripley.

He also presented the ISCA young scientist awards to the following scientists: Dr Vani Brahmchari, for her outstanding work on methylation of transfer RNA's and DNA; Dr Amit Dutta for his contribution to stimulation of melt-spinning of polyester fibres; Dr Raghavendra Gadkar for his novel and imaginative work in anthropological studies; Dr K N Ganesh for his contribution to chemical synthesis; Dr Sudha Jain, biosynthesis; R L Karandikar, theory; K R Krishna, nutrient uptake; Dr S B Ogale, spectroscopic studies; Dr T Radhakrishna, palaeomagnetic studies; Dr Arvind Rai, medical science; Dr (Mrs) Madhu Raka, Dr Ramakrishna Swamy, molecular dynamics; Dr D J Saikia, structure of radio sources; Dr Ved Pal Singh, Dr G Sundarajan and Dr N Venkataramani.

SCIENTISTS DEVELOP INDIGENOUS SILICON TECHNOLOGY

Bombay THE TIMES OF INDIA in English 6 Jan 86 p 1

[Article by Bharat Bhushan]

[Text] Mettur Dam--Barely nine months after the Prime Minister intervened in the national silicon facility (NSF) controversy, Indian scientists and technologists have proved their claim.

When the department of electronics had almost decided to pay Rs 90 crores for a 200 tonnes per annum (TPA) polysilicon plant to Hemlock Semiconductors Inc of Michigan, U.S.A., they had opposed the decision. They had claimed that Hemlock was charging an exorbitant price and that hyper-pure silicon could be produced within the country, using indigenous know-how in a much more cost-effective manner.

That they were not merely talking in the air has been demonstrated by the setting up of a 25 TPA polysilicon plant at Metkem Silicon Ltd at Mettur Dam in Tamil Nadu. The plant is expected to go on stream in the next two to three weeks.

Costing only about Rs 1.5 crores, the plant is modular in nature and can be scaled up very easily to take into account changes in demand. Downstream processes like growing single crystal silicon from polysilicon have also been developed.

Polycrystalline silicon or polysilicon is the primary raw material for manufacturing solar cells (photovoltaics) which convert sunlight directly into electricity and also for making electronic devices.

International Quality

Up to now the polysilicon required for manufacturing these devices was imported. The two major manufacturers of solar cells in India, Bharat Heavy Electricals Limited, Bangalore, and Central Electronics Ltd, Sahibabad, can now be supplied the material indigenously. And so can be the manufacturers of electronic components and devices.

BHEL has in fact already made some solar cells from the polysilicon supplied by Metkem and found them comparable to those made from polysilicon imported from Siemens of West Germany. Test reports from Midac Corporation in the U.S.A. also show Indian polysilicon to be of international quality.

Polysilicon from Metkem has also been tested for making space quality solar cells by Bharat Electronics Ltd., Bangalore, and the Solid State Physics Laboratory at Delhi. Once again the silicon has been found up to the mark.

To test whether the material was pure enough to be used even for electronic devices, some TV diodes were made out of the material at BEL which also showed comparable results.

These results must please all those scientists and technologists who had stuck their necks out for indigenously developed technology. But had there been no intervention at the highest level in March 1984, the deal with Hemlock would have certainly gone through.

No Economic Logic

It would have resulted in the government of India being taken for a ride by the U.S. firm which was charging it more than twice the internationally prevailing price for polysilicon technology.

But more importantly, grievous and irreparable harm would have been done to the R and D efforts within the country--lending credence to the common apprehension that whenever India R and D efforts are about to reach a critical level someone in the government invariably plumbs for import of technology in the same area.

It is ironical, however, that even if the NSF is not set up using foreign technology, the country may still have to fork out up to Rs 20 crores to the U.S. firm. It is understood that a portion of this "know-how" fee has already been paid. And this at a time when that know-how is no longer of any use. Indeed, there is no economic logic for implementing that know-how.

It has been estimated that the cost of polysilicon from the NSF based on Hemlock's technology would be about Rs 1,140 per kg at full capacity. Metkem's cost of production, on the other hand, is about half of this and it is offering to supply polysilicon at a price of Rs 850 per kg.

The technology that is being used at Metkem was developed on a laboratory scale at the Indian Institute of Science (I.I.Sc.). Between I.I.Sc. and Metkem Silicon Ltd, the two have been able to successfully scale up production of polysilicon from 615 gm per batch on a bench-scale process in 1978 to a batch size of more than 100 kg in 1982. And now the same process has been scaled up to a 25 PTI capacity which can be modularly expanded.

An advantage of the modular polysilicon plant is that planning for solar photovoltaic electricity becomes more flexible. The large 200 TPA plant of the NSF would have committed the government to solar cell technology based only on polysilicon. But solar cell technology is an area where major technological breakthroughs over the next five to ten years, for example, in amorphous silicon cells are expected to revolutionise the whole production process for the cells.

Amorphous silicon cells--already being sold for outdoor use--will make solar electricity generation much cheaper. And they do not require polysilicon as a raw material. A smaller plant, therefore, provides the flexibility to change over to a new technology without substantial losses of locked up capital.

Photovoltaic demand for polysilicon is of crucial importance because this is expected to account for 90 to 95 percent of the total demand in the country. Within the total demand for photovoltaics, electrification demand for remote villages is likely to be the largest and most sustained one.

Single Crystals

The number of such remote villages in India is estimated to be about 90,000. According to the advisory board on energy, even if solar photovoltaic electricity were seen to be viable only in a third of these villages, the initial demand for it would be of the order of 75 MW. Government estimates show that by 1990, the total photovoltaic demand in the country could be of the order of 30 MW per year.

It is in anticipation of this demand, for example, that BHEL and CEL are developing downstream capabilities for making single crystals, wafering, cell manufacture for making solar cell panels, front polysilicon and developing complete user systems for street lighting in villages and irrigation pumps.

But for these programmes to function in an economically effective manner, it is imperative to have reliable and cheap sources of polysilicon supply. And this is what the scientists at Indian Institute of Science and those at Metkem Silicon Ltd have been able to ensure.

PTI adds: The department of electronics (DOE) will decide whether or not to build the Rs 902 million national silicon facility (NSF) in Baroda using the imported U.S. technology after watching "for at least a week" the operation of the indigenously built Mettur silicon plant.

A spokesman of DOE told PTI that a team of experts from his department will be visiting the Mettur plant in a few days to evaluate the progress of work.

DOE has paid about \$1.3 million to the Hemlock Semi-conductor Corporation for design drawing and proprietary equipment for the proposed NSF.

"The whole package has just arrived," the spokesman said.

Pointing out that the money paid to the U.S. firm is not waste, he said the designs and equipment may be handed over to the Metkem Silicon Limited in Meerut in case it is decided to shelf NSF.

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CSO: 4600/1354

ANALYST ON RAJIV'S APPROACH TO DEFENSE MATTERS

Madras THE HINDU in English 7 Jan 86 p 9

[Article by G. K. Reddy]

[Text] In his dual capacity as Prime Minister and Defence Minister, Mr. Rajiv Gandhi has been meeting the Service chiefs and senior officials of the Defence Ministry weekly to discuss defence matters and provide policy guidelines.

One such weekly meeting was held today, before the Prime Minister left for Bangalore, on the eve of the impending visit of the Defence Secretary, Mr. S. K. Bhatnagar to Islamabad for talks on the the Siachin situation.

These regular sessions with the Service chiefs have also helped to dispel the impression that the Prime Minister has left the Defence Ministry almost entirely to close confidant, Mr. Arun Singh, who in his capacity as the Minister of State has been looking after the day-to-day work of this vast establishment. He has been taking a keen interest in the functioning of the three services as an active Defence Minister, without treating this important portfolio as a temporary charge to be allocated to a senior colleague in due course.

'Taking it seriously': But, it is another matter whether the Prime Minister can find enough time amidst his other preoccupations to devote fuller attention to the manifold problems of this big Ministry looking after more than 1 million men under arms and spending over Rs. 8,000 crores annually. What is important is that he is taking this additional responsibility quite seriously and setting apart as much time as possible to attend to it.

In the old days there used to be a Defence Committee of the Cabinet (DCC), presided over by the Prime Minister, even when there was a full-fledged Defence Minister, to deal exclusively with the defence policies and requirements. The three Service chiefs attended the meetings of this Committee to advise and assist it in taking decisions.

After the 1962 Sino-Indian conflict, an all-purpose Political Affairs Committee of the Cabinet (PAC) was formed to deal with the politico-military aspects of defence. Consequently, the DCC was abolished with the result that there is no Cabinet committee left to deal exclusively with defence problems.

Institutional link broken: As the Service chiefs were not entitled to attend the PAC meetings the institutional link between the Cabinet and the defence establishment was broken. It was sought to be substituted in a small way by the introduction first of daily and then weekly meetings of the Service chiefs and senior officials with the Defence Minister to discuss various issues informally and take the necessary decisions subject to the approval of the Cabinet.

The Prime Minister has now tried to fill the void, in his concurrent role as Defence Minister, by meeting the Service chiefs and others dealing with defence once a week, without reviving the DCC. He has also to preside personally over various inter-ministerial meetings attended by the Ministers of Finance, Home and External Affairs, since this task cannot be entrusted to Mr. Arun Singh who is only a Minister of State.

But the new arrangement is working reasonably well because of Mr. Gandhi's active interest in defence, which he was taking even before he assumed charge of this portfolio during the last Cabinet reshuffle. The Service chiefs are happy that they now have more frequent access to him and are able to get quicker decisions on important policy matters including purchases.

'Better rapport': At the administrative level, however, Mr Arun Singh has been functioning with quiet efficiency, relieving the Prime Minister of a lot of routine workload, besides acting as a reliable channel of communication between Mr. Gandhi and the military establishment. As a result, there is also better rapport between the civilian and Service components of the defence organisation.

When the Prime Minister was in charge of External Affairs, the Foreign Secretary, Mr. Romesh Bhandari, used to meet him daily to apprise him of various developments, but otherwise the Ministry itself was thrown into disarray because of the ill-defined roles of various functionaries in it. The position in the Defence Ministry is quite different since it is better organised, with proper devolution of authority down the line.

The only three officials who are entitled to see the Prime Minister daily when he is in Delhi, with enough time set apart for their meetings, are the Cabinet Secretary, Mr. P. K. Kaul, the Prime Minister's Secretary, Mrs. Sarla Grewal, and the Director of RAW, the external intelligence service. All others, including his Cabinet colleagues, can meet him only by prior appointment.

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CSO: 4600/1356

INDIA

REPORTAGE ON INDUCTION OF MIG-27 INTO IAF

Gandhi Speaks at Ceremony

Bombay THE TIMES OF INDIA in English 12 Jan 86 p 1

[Text] A Western Air Base, January 11--The Soviet MiG-27, an all-weather supersonic strike aircraft was inducted into the Indian air force by the Prime Minister, Mr Rajiv Gandhi, here today with the hope that India would in near future design and build the most advanced jet aircraft.

He said the ultimate strength of the country lay in indigenous research and development and it was the basic design work that would bring this country to the forefront of any technology.

Mr Gandhi noted with satisfaction that pilots and technicians for the India-built "Bahadur" (MiG-27) had been trained within the country, unlike in the past when initial batches were trained abroad. The IAF was also setting complete servicing facilities for this advanced aircraft as an in-house effort.

Both Mr Gandhi and the chief of air staff, Air Chief Marshall D.A. La Fontaine called for efficient use of the aircraft and its maintenance with love and care. They called for greater interaction between the fliers and those who maintained the aircraft. "Fly them hard and fly them well," they said.

"Bahadur" is manufactured in India by the Nasik division of Hindustan Aeronautics Ltd and it will be the mainstay of the IAF strike force for the next few years.

Its induction was marked by phasing out of the Sukhoy fighter which had done exceptionally well in the 1971 operations.

Codenamed "Flogger-d" by NATO, the new aircraft incorporates state-of-the-art systems representing the most advanced technology in airframe, engines, avionics and weaponry.

The MiG-27, the second swing-wing aircraft with the IAF, can fly at a speed up to 1.1 mach at sea level, a performance level that very few aircraft of this category can attain. The jet requires only an 800-metre stretch for take-off and thus can be used in airfields damaged by enemy action.

The single-seater tactical fighter has been optimised for a ground attack role and the cockpit has armour protection, with additional armour on the flat sides of the cockpit to give protection to the pilot.

The MiG-27 can fly in a stable condition at tree-top level with a speed as low as 400 kmph. For high-speed flight, the wings are swung back at an angle of 72 degrees which gives it more thrust and enables it to fly at speeds of over 1,300 kmph.

India is the only country outside the Warsaw Pact that has received the technology for this aircraft. India and the Soviet Union have discussed cooperation on the next generation of this aircraft.

Because of its high thrust-to-weight ratio, the aircraft can accelerate very fast to very high speeds and turn at a very high rate. These characteristics are very useful when penetrating enemy airspace in the face of stiff defence.

The aircraft has an integral gun and can carry over 3,000 of external weapon load. Besides conventional weapons such as rockets and bombs, the aircraft is also capable of carrying more advanced weapons. Because of its large combat radius and ferry range, it can be very quickly positioned in any part of the country.

The Tiger Sharks squadron which will operate the new aircraft gave an impressive demonstration of the high manoeuvrability on the "Bahadur." It exhibited a short take-off, then a flypast by three aircraft in Vic formation and a breathtaking aerobatic display with wing sweeps at different angles.

The aircraft then executed two loops involving change in direction and then a high-speed run followed by vertical rolls.

Other Models To Be Received

Madras THE HINDU in English 11 Jan 86 p 1

[Article by G.K. Reddy]

[Text] New Delhi, Jan 10--The Prime Minister, Mr Rajiv Gandhi, will be formally inducting into service tomorrow at a forward IAF base the new MIG-27 manufactured in India with Soviet technical assistance.

It is an improved version of MIG-23 capable of more versatile performance with better weapon systems that can be used for both interceptory and interdictory purposes.

The Government has not yet decided whether to include the MIG-27 in this year's Republic Day fly-past along with other advanced aircraft like MIG-23, Jaguars, Sea Harriers and Mirage-2000s now in service with the Indian Air Force.

The MIG series, now with the IAF include 21s, 23s, 25s and 27s with the first one still serving as the mainstay of the IAF fighter squadrons. The first few MIG-29s, which are rated among the most advanced fighter-bombers in the world today, are expected to be received soon.

To counter Pak threat: The MIG-29s, which have not so far been supplied even to other Warsaw Pact countries, are being given to India as a very special gesture to enable the country to meet the threat posed by the 40 F-16s acquired by Pakistan from the United States.

These highly sophisticated fighter-bombers, which are considered to be more than a match to the F-16s, entered squadron service with the Soviet Air Force last year and were due to be supplied to India in limited number about the same time in pursuance of the promise made in 1984 by the former Soviet Defence Minister, the late Marshal Dmitri Ustinov, during his last visit to Delhi.

But India preferred to wait a little longer until all the bugs had been removed from these MIG-29s after the Soviet Air Force fighter pilots had flown them over a period of time under simulated operational conditions to test thoroughly every aspect of their performance. As a result, there has been a delay of several months in the supply of these latest Soviet aircraft to the Indian Air Force.

Exacting test: The American practice is to let the test pilots of the manufacturing company fly the prototypes for a prescribed trial period before the finally approved versions go into production. But the Soviet procedure is to let its Air Force test fly the first production models under very exacting conditions to pinpoint the design deficiencies, if any, before these are produced in large numbers to the finally approved specifications.

The first MIG-29s that are due to be supplied to India shortly will be the very latest versions that have been put through these rigorous tests by the Soviet Air Force. This would eliminate the need for expensive modifications at a later stage.

The military supply relationship with the Soviet Union thus extends to the very latest weapon systems depending on India's requirements. In the past it was generally confined to categories of equipment that were at least a decade old although they were still in use by the frontline Soviet formations.

/9317

CSO: 4600/1365

'MASSIVE' PROGRAM OF ARTILLERY EQUIPMENT AUTOMATION

Bombay THE TIMES OF INDIA in English 13 Jan 86 p 4

[Text] Indian gunners will now have the aid of computers and second-generation mountain guns.

The regiment of artillery has undertaken a massive programme of automation of artillery equipment, and has set up a nucleus of top officers along with a small team of IIT-trained aechnologists to computerise artillery operations.

Gunners are normally trained in manual operations at the artillery school at Deolali, near Nasik. They are now fully equipped with the use of computers. Variables of equipment, weather conditions, rotations of earth, wind speed and several other aspects are being fed into the computers to assist the field gunners.

An official in the nucleus under the control of the electronic research and development establishment (LRDE) stated that the computers accompanying the guns would provide correct data to the officers on the battle field in a jiffy. The computers would also assist them in decision-making.

The second-generation mountain guns have multi-mode transport capability and these entirely indigenous guns would be a match to anything in their class in the world.

The overwhelming victory of Babar over the vast armies of Ibrahim Lodhi in the first battle of Panipat (1526) is attributed to the possession of 300 guns by the former.

The British formed regular Indian artillery units. During the late 19th century, the Indian gunners saw action on several fronts in the world. Their bravery raised the reputation of the Indian soliders the world over.

In 1935, as a follow-up of the decision to Indianise the artillery arm, a "field brigade" was formed to take the place of the outgoing British field brigade.

In the post-Independence era, all ranks of the regiment of artillery displayed technical and tactical ability, physical courage and initiative during

operations in 1948 (J & K) 1962 (India-China conflict) and in wars with Pakistan in 1965 and 1971.

In the Deolali, the only such school in the country, 90 training courses are run for officers and non-commissioned officers, to equip them to make the best use of the sophisticated guns and missiles and their fire control. The school runs both technical and tactical courses.

Major General A. Mangali, chief of the school, said over 1,000 officers were given training in this school every year. Besides, officers from 12 friendly countries also received training here.

There is also an artillery centre at Nasik, where every year basic training is imparted to the jawans. This was set up in 1948, according to Col. J. S. Dhindsa.

Every year 10,000 recruits mostly fresh from the rural areas, are trained at this centre.

Col. Dhindsa said the army attached special importance to religion. The artillery centre has a mandir, a gurdwara, two churches and a mosque. Jawans from all religions attend important religious functions.

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CSO: 4600/1367

PUNJAB TO TAKE STEPS TO RESETTLE ARMY DESERTERS

Calcutta THE STATESMAN in English 9 Jan 86 p 9

[Text] Chandigarh, Jan 8--The Punjab Government today decided on various steps to rehabilitate Army personnel who had left their barracks in the wake of Operation Bluestar. The measures according to an official spokesman, are meant to mitigate the suffering of the destitute families and to enable the discharged soldiers to join the mainstream of national life.

The package of measures announced today, after a meeting called by the Chief Minister, cover exgratia, allotment of agricultural land or houses to widows, free education for children of widows up to university level, a monthly maintenance grant for the families of affected personnel until they are rehabilitated, and training and financial assistance for the dependents through such agencies as the Punjab Women and Children Development and Welfare Corporation and the Punjab Ex-Servicemen's Corporation.

The next of kin of those killed will be given an exgratia Rs 5,000 five acres of agricultural land, or LIG flat plot of 250 sq yards in a city or town of their choice, close to their place of residence. In addition, they will be given monthly maintenance grant of Rs 500 till the widow or the dependent is employed. The children of such personnel will be given free education up to university level and suitable grant for the purchase of books and study material.

The State Government has taken up with the Ministry of Defence the matter of providing full service benefits to such personnel.

The families of such personnel as have been imprisoned will be given an exgratia of Rs 2,000 a monthly maintenance grant of Rs 500 till the soldier and his family is rehabilitated. In addition to exgratia, the families of such soldiers will be given a monthly maintenance grant of Rs 500 till their cases are decided. Once their cases are decided, they will be dealt with in accordance with one of the above categories into which they fall.

The Government also proposes to take up their cases for pension and group insurance.

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CSO: 4600/1362

SPACE LAUNCHING PLANS FOR 1986 REVIEWED

New Delhi PATRIOT in English 8 Jan 86 p 4

[Article by K.P. Prakasam]

[Text] The year 1985, coming in the wake of the spectacular space flight by the first Indian cosmonaut Rakesh Sharma, has been quiet an uneventful one.

The only space event scheduled for the third quarter of 1985, and included in the 7th Plan — the launching of the Augmented Satellite Launch Vehicle—ASLV— with a 150-kg payload — could not take place, partly due to delays in rocket systems development and partly due to the damages caused by the November 1984 cyclonic storm to the Sriharikota Rocket Launch complex. The launch has now been rescheduled for this year.

The second space event of 1986 would be the launching of another communication satellite of the INSAT-1 series from the US Space Shuttle. This, originally scheduled for January 1986, might take place some time in June 1986. And, thirdly, an Indian remote-sensing satellite—IRS-1—is to be launched in the latter half of 1986 from a Soviet cosmodrome.

India emerged as a space power with the launching of its 41-kg satellite "Rohini" on 18 July, 1980, using the indigenously-developed four-stage rocket SLV-3. A more powerful rocket was on the anvil, and scientists hoped to flight-test a rocket capable of orbiting a 150-kg satellite by 1983. But this did not materialise and two more years passed by without having made much progress in the field. It is now

hoped that the developmental flight of the ASLV-D-1 will take place in the first half of 1986.

The ASLV-D-1 is to place a 150-kg payload called Stretched Rohini Satellite Series (SROSS) into a 400-500 km orbit, if all goes well. Besides monitoring the performance of the rocket systems and evaluating the in-orbit operation of the main frame elements of the spacecraft, the SROSS will also carry out scientific experiments to study gamma rays. The satellite systems have been built and tests are being carried out at the Satellite Centre, Bangalore.

The ASLV launcher is basically an SLV-3 with two additional motors of nine-ton thrust each, strapped on to the first stage of the SLV-3. For the first time, a liquid propellant engine will be used for the second stage. The on-site fabrication and construction of launch structure are over at the Sriharikota rocket launching station, though the launch campaign is yet to begin.

Another important space event slated for 1986 is the placing of the geostationary communication satellite INSAT-1C, conceived as an orbital spare to the presently functioning INSAT-1B. The satellite, which has been built by the Ford Aerospace and Communications Corporation as per Indian specifications is to be launched some time in June 1986 from the US space transportation system of the Shuttle Spacecraft.

An added attraction of the

event is the prospect of India having its second spaceman — this time an astronaut and not a cosmonaut. Two astronaut-trainees, N C Bhat of the ISRO and P Radhakrishnan of the VSSC, are presently undergoing training at the Bangalore Centre of the ISRO and one of them will fly as the payload specialist in the shuttle. Besides launching the INSAT-1C he will also make earth observations and studies from orbit.

Meanwhile, a new agreement has been signed in November 1985 between ISRO and NASA for the purchase and launch of another communication satellite INSAT-1D, to take care of India's communication needs till the end of the decade.

Yet another important space event scheduled for the year 1986 is the launching of an Indian remote-sensing satellite from a Soviet cosmodrome. This 950-kg semi-operational satellite, developed totally by Indian scientists for the survey of earth resources by using remote sensing techniques is to be placed in a Polar sun-synchronous orbit at an altitude of about 900 km and is expected to be operational for about three years.

The structural and thermal models of the satellite have been fabricated and dynamic and thermal tests have been carried out. The mechanical design is being developed and the solar panel modules for the satellite have been space qualified at the IIT Madras, and thermal cycling at ESTEC, Holland.

The IRS-1A is to carry two cameras, operating in the visible and infra-red ranges. They are to provide imagery relevant to agriculture, geology and hydrology. The cameras are of linear imaging self-scanning type. A special feature of the IRS-1A is that systems which were hitherto imported have been indigenised. These include reaction wheels, solar arrays drive, reaction control systems, gyros and earth sensors — all developed by Indian scientists. The ground segments for the spacecraft control, data reception and imagery processing have been built. After launching, the satellite will be managed by the Spacecraft Centre at Bangalore, while the data received in the X and S bands will be processed at Shadnagar Complex, Hyderabad.

It is to be seen whether all these three major space ventures are going to be total success or not. What is worrying scientists is the lag in rocket technology, vital for any meaningful space effort. Though India, China and Japan embarked on space research almost simultaneously, the latter two have left us behind. It was the successful development of MU-S-52 rocket (with two strap on rockets like ASLV) that enabled Japan to launch two Halley's comet probes Sakigake and Suisi in January and August, respectively. It is hoped that the exit of the VSSC chief Vasant Gawarikar to the US and the migration of the rocket genius Dr A P J Abdul Kalam to Defence Research will not adversely affect the efforts of India to leapfrog the rocket technology gap.

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CSO: #4600/1358

BRIEFS

BJI LEADER DIES--Bharatiya Janata Party leader Kanwar Lal Gupta, former member of Parliament, died in the Capital on Saturday night after prolonged illness. Mr Gupta, 62, was admitted to the J.P. Hospital for treatment. He breathed his last around midnight. He is survived by his wife and four children. Mr Kanwar Lal Gupta was the founder president of the Citizen's Council of Delhi, set up by him to solve various problems of the citizens. The council has decided to hold a condolence meeting on 24 January at Vithal Bhai Patel House. Expressing profound sorrow over the death of Mr Gupta, BJP leaders V.K. Malhotra, Kidar Nath Sahni and Madan Lal Khurana said "the people of Delhi have lost a powerful voice" which always echoed the problems and grievances of the people on every platform. Mr Gupta was also a member of the BJP executive body. [Text] [New Delhi PATRIOT in English 20 Jan 86 p 1] /9317

BHEL COMPUTER PLANS--The Government-owned Bharat Heavy Electricals Limited (BHEL) is going in for computerisation in a big way this year. In fact, to give a fillip to computerisation and automation, the company has declared this year as the 'BHEL Computer Year.' A substantial amount of Rs 6 crore is envisaged to be spent this year for the purpose and an equal amount will be spent each year until 1990. According to the company, this extensive computerisation programme is being taken up to "attain higher productivity." Plans have been drawn up for this year which includes workshops on micro-processor based systems, robotics, motivations, office automation, computer selection and training in the use of computers. BHEL is already making extensive use of computers in monitoring large projects, spare parts management, compilation of data on the performance of power stations, inventory management and product design. According to the company, despite this it was felt that the entire cross-section of the company employees should be involved in the programme and "computer culture should be propagated at the grassroot level." Therefore, it was decided to declare 1986 as the 'BHEL Computer Year.' [Text] [New Delhi PATRIOT in English 9 Jan 86 p 2] /9317

BOMBER SAFETY MECHANISM--Bombay, Jan 18--Scientists at the Armament Research and Development Establishment of Pune have designed and developed a Retarder Tail Unit system which ensures safety of aircraft engaged in low-level bombing. The system, developed for the first time in India, is not only comparable to the best available technology in the world, but has

some unique safety features not available elsewhere. Within the short time of eight months, the technology was put into production by the ARDE. A consignment of 100 RTUs and fuzes was handed over by Mr N.S. Venkatesan, director of ARDE, to Air Marshal S.K. Mehra, Deputy Chief of Air Staff, in Pune yesterday. The product, with 100 percent indigenous components, had saved foreign exchange worth Rs 15 crores, Mr Venkatesan said. The ARDE will continue production of RTUs to meet the present requirements of the Air Force till the production is handed over to the ordnance factories for regular manufacture. A normal bomb when released from a low-level would travel nearly at the speed of the aircraft and explode below the plane. This has every possibility of damaging the aircraft itself. The RTU retards the speed of the bomb which enables the aircraft to move out of the danger-zone of the explosion. The system consists of a parachute and a fuze. It has been tested and proved successful. [Text] [Calcutta THE SUNDAY STATESMAN in English 19 Jan 86 p 3] /9317

EXPORTS TO EAST EUROPE--Praga Tools Limited, a Central public sector unit in Hyderabad, has received an export order from Bulgaria for supplying machine tools worth \$5.6 millions (Rs 6.7 crores). The order is to be executed during 1986. Last year the company exported machine tools worth \$1.70 millions (Rs 2.06 crores) to Bulgaria. It also supplied products valued at Rs 2.21 crores to the Soviet Union with orders on hand for Rs 2.44 crores to be completed before March. According to a company spokesman, the manufacture of computer numerically controlled machining centres has been taken up in collaboration with Mitsubishi Heavy Industries of Japan. These have just entered the market. Plans are under way to introduce some new models of machine tools such as CNC turning centres. The company is also modernising its foundry and the forge shops to cater to the needs of both the private and public sectors. It achieved a turnover of Rs 17.7 crores in 1984-85 and declared a dividend of six percent for the second consecutive year. [Text] [Madras THE HINDU in English 18 Jan 86 p 17] /9317

FOREIGN VISITORS--New Delhi, Jan 5--The foreign dignitaries visiting India during the present winter season include the Queen of the Netherlands, the Prime Minister of Greece, the Pope, the Prime Ministers of Turkey and Malta, the Crown Prince of Norway, the Chancellor of West Germany and the Foreign Ministers of France and Britain. The Government is trying to limit these State visits to manageable limits leaving the Prime Minister, Mr Rajiv Gandhi, free to attend to more important domestic problems. He has already decided not to make any foreign trips during the first half of this year. The Non-aligned Coordination Bureau will be meeting in Delhi in April, before the next summit in Harare towards the end of September, when 60 to 70 Foreign Ministers will be arriving in Delhi. Though the External Affairs Minister, Mr B.R. Bhagat, will be presiding over it, the Prime Minister will have to meet most of the visiting Foreign Ministers in his capacity as current Chairman of the Non-Aligned Movement. [Text] [Madras THE HINDU in English 6 Jan 86 p 9] /9317

NEW FIELD MARSHAL--New Delhi, Jan 14--The first Indian Commander-in-Chief of the Indian Army, General K.M. Cariappa, has been conferred the honorary rank of Field Marshal for life with effect from tomorrow. The Defence Ministry announced today that the honour had been bestowed on the 85-year-old father figure of the Indian Army in recognition of the "most valuable services rendered by him to the armed forces of the nation," adds UNI. He becomes the second Field Marshal in the Army. General S.H.F.J. Maneckshaw was made Field Marshal after the 1971 operations. [Text] [Calcutta THE STATESMAN in English 15 Jan 86 p 1] /9317

AIR FORCE PROMOTION--New Delhi, Jan 8--Air Marshal S. Raghavendra today took over as Vice Chief of the Air Staff at the Air Headquarters here, reports UNI. Earlier he was Air Officer Commanding-in-Chief, South-Western Air Command at Jodhpur. Commissioned on April 15, 1950, he has commanded a number of fighter squadrons and air force stations--Halwara and Ambala. Air Marshal Raghavendra was awarded Param Vishisht Seva Medal in 1985 for his distinguished service of the most exceptional order. He is also a recipient of the Ati Vishisht Seva Medal. Earlier, he held important staff and operational appointments, including those of Director, Training, Assistant Chief of the Air Staff (Personnel) and Assistant Chief of the Air Staff (Operations). [Text] [Calcutta THE STATESMAN in English 9 Jan 86 p 13] /9317

ASSAM PORTFOLIOS REALLOCATED--Guwahati, Jan 7--The Assam Chief Minister, Mr Prafulla Kumar Mahanta, today re-allocated the portfolios of five of his ministerial colleagues, report UNI and PTI. The Asom Gana Parishad Legislature Party today chose Mr Pulakesh Baruah as its candidate for the post of Speaker in the State Assembly, according to the Chief Minister. Speaking to reporters here, Mr Mahanta said that the name for the post of Deputy Speaker would be decided later. Leaders of political parties of Assam today assured the AGP of all cooperation for speedy development of the State and maintaining peace and harmony among all sections of the people. The assurance was given at a meeting the AGP had with the political parties here today to seek their cooperation in solving various pressing problems of the State. It was attended among others by the leaders of the United Minorities Front, BJP, Janata, Lok Dal, CPI(ML), CPI and the SUCI. The Congress(I), Congress(S) and the CPI(M) did not participate. [Text] [Calcutta THE STATESMAN in English 8 Jan 86 p 3] /9317

CPI'S DESHPANDE DIES--Aurangabad, January 18 (UNI)--The senior CPI leader and former MLA, Mr Vithal Devidas Deshpande, died here this afternoon after a heart attack. He was 72. He is survived by his wife, a son and a daughter. Mr Deshpande was moving in riot-torn Aurangabad city till 2 p.m. today appealing to the people to maintain peace and communal harmony, when he suffered a heart attack and collapsed. [Text] [Bombay THE TIMES OF INDIA in English 19 Jan 86 p 9] /9317

BJP'S GUPTA DEAD--New Delhi, January 19--Mr Kanwar Lal Gupta, a former parliamentarian and member of the national executive of the Bharatiya Janata party, died here today. He was 61. A large number of friends, colleagues and relatives attended the cremation in the evening. He is survived by his wife, three daughters and a son. Mr Gupta, a lawyer by profession, was earlier associated with the Jana Sangh and was a member of its Central working committee. He was elected to the legislative assembly, Delhi state, in 1953. He was also the member of the municipal corporation of Delhi for four years from 1958. He was elected to the fourth and sixth Lok Sabha from the Delhi sadar constituency. He had also contested against Mr K.C. Pant from the New Delhi constituency in the 1984 general elections. A political activist, Mr Gupta was arrested a number of times during his agitation against the Central government and the Delhi administration on various political and public issues. He was interned for 19 months during the emergency. A large number of people went to his New Friends' colony residence to pay their homage and to express their grief over the death of Mr Gupta. The Prime Minister, Mr Rajiv Gandhi, in a condolence message said "Mr Gupta's death is a loss to our public life." [Text] [Bombay THE TIMES OF INDIA in English 20 Jan 86 p 9] /9317

BJP ELECTION SCHEDULE--New Delhi, Jan 12--The central office of the Bharatiya Janata Party today announced the schedule for the election of the BJP president for 1986-87. The vice-president of the BJP, Mr Jaganath Rao Joshi, who is the returning officer for the election, said elections of the party State units and the members of the National Council would be completed by February 23. Nominations for the party presidency would be received from March 1 to 7. The new president will chair the plenary session of the BJP which was scheduled to be held in Delhi from April 4 to 6. The plenary session would be preceded by a two-day meeting of the national executive of the party in the capital on April 2 and 3. Meanwhile, Mr Krishan La Sharma, all-India secretary of the BJP, demanded that a national committee be set up to evolve norms for observing birth and death anniversaries of national heroes and former heads of the State. The committee should examine whether it was a healthy practice to convert residences of late Prime Ministers into their memorials. He also demanded that the selection of sites and installation of statues of national heroes and heads of the State in the capital be speeded up. [Text] [Calcutta THE STATESMAN in English 13 Jan 86 p 9] /9317

ANDHRA PRADESH GAS FIND--New Delhi, January 12--Gas has been struck at the deep well Tatipaka-I in the Krishna-Godavari basin, according to the Oil and Natural Gas Commission. Gas flow has started from a pay zone of 17-metre thickness at the rate of 1,43,000 cubic metres per day through a one-fourth-inch choke. The well is located about 11.5 km south of Gannavaram town and 13.5 km south-west of Amalapuram town in East Godavari district of Andhra Pradesh. The structure covers an area of 15 square kilometres. After the well was drilled to a depth of 3,504 metres, formation test was conducted at 3,457.5 metres and 3,465.5 metres. Both zones yielded gas while the latter also gave a film of oil. Ahmedabad (PTI)--The Oil and Natural Gas Commission authorities have decided to prepare a substitute oil well after abandoning the exploratory well which caught fire last month at Kadi town in north Gujarat according to the deputy general manager of the ONGC, Mr J. Swaroop. [Text] [Bombay THE TIMES OF INDIA in English 13 Jan 86 p 1] /9317

IRAN

PRESIDENT ADDRESSES BASIJ FORCES IN CAPITAL

LD081317 Tehran IRNA in English 1145 GMT 8 Feb 86

[Text] Tehran, 8 February, IRNA--Basij (mobilization) forces of the Islamic Revolutions' Guards Corps of Qods reserve division marched in the streets of Tehran Saturday morning displaying their martial preparedness. The forces marched to Martyr Shiroudi Stadium, carrying their arms and placards indicating their strong will to continue the fight against international arrogance.

In a ceremony held at the stadium in the presence of President 'Ali Khamene'i, a number of military officials and foreign guests here to attend the Ten-Day Dawn ceremonies, the IRGC parachuters staged a mock exercise as part of the grand "Fajr" maneuvers.

Meanwhile, Qods reserve battalions will display their martial readiness in Rey township Saturday afternoon. Forty divisions of Qods reserve battalions will participate in the military maneuver in Tehran and Rey township Saturday.

Deputy commander of the IRGC 1st district, Ansari, said that the First Fajr Division of Tehran Province will be dispatched to war fronts soon. He added that the maneuver of 280 Qods reserve divisions gives encouragement to the Iranians and disappoints international oppression.

Speaking to the gathering at Martyr Shiroudi Stadium, President Khamene'i said that the war will be continued until Iraq paid for its aggression. President Khamene'i who is also the head of the Supreme Defence Council, stressed that Iran will powerfully resist against plots of imperialism and war until the achievement of final victory.

The president was speaking to a large number of Basij (mobilization) forces gathered at the stadium following a march in the streets of Tehran Saturday morning. A group of foreign guests of the Ten-Day-Dawn ceremonies were also present.

President Khamene'i referred to economic, political and propaganda plots against the Islamic Republic of Iran and stressed that despite all these conspiracies, Iran was more stable than ever. He said that such gatherings and marches of combatant forces would demoralize the Iraqi enemy.

The president called on people from various walks of life to take part in the march to be held on Tuesday, 11 February, marking the seventh anniversary of the Islamic revolution of Iran.

Meanwhile, an official of Lebanese Hizbollah, Husayn Musavi (Abu Hosham), addressing the Basij forces said that the victory of the Islamic revolution did not merely belong to the Iranians but to the world Muslims.

He hoped that the plot of the Iraqi-imposed war will soon be thwarted and the way for the liberation of Qods will be paved.

Abu Hosham stressed that Islamic movements in the world, especially in Lebanon, were all inspired by the Islamic revolution of Iran and Imam Khomeyni's leadership.

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CSO: 4600/217

IRAQI INSURGENTS' STATEMENT ON BAGHDAD EXECUTIONS

GF071836 Tehran International Service in Arabic 1330 GMT 7 Feb 86

[Statement by the "Military Bureau of the Iraqi Mujahidin Movement"--date not given--read by announcer; from the "Voice of the Islamic Revolution in Iraq" program]

[Text] In the name of God, the compassionate, the merciful. "Those who were convinced that they must meet God said: 'How oft, by God's will, hath a small force vanquished a big one? God is with those who steadfastly persevere.' When they advanced to meet Goliath and his forces, they prayed: 'Our Lord. Pour out constancy on us and make our steps firm: Help us against those that reject faith. Almighty God has spoken the truth'." [Koranic verses]

O sons of our Muslim people in the Iraq of pride, wounds, and heroism. O sons of the leader Imam, great Khomeyni. O sons of the great martyr, Al-Sadr, may his secret be sanctified. O sons of our glorious Islamic nation everywhere in the world.

The infidel crusader regime which imposes its yoke on the sons of our wronged people in our honorable Iraq has recently announced, through the chief of its general security, the cousin of the chief of the Al-Tikriti gang, the criminal 'Ali Hasan al-Majid, that 15 of Islam's heroic Mujahidin have been executed. Among these are the 4 heroes with whom a television interview was made on Baghdad Television, and 11 other Mujahidin on the charge of cooperating with them. This criminal also admitted that these heroes resisted the security organs in a vicious armed clash in which a number of security personnel were killed. The admission also stated that the execution was public. This was done in order to intimidate and terrorize the sons of our heroic people. This report was carried by international news agencies and the world's radio stations and newspapers.

O sons of our proud people, sons of Islam everywhere. On this occasion, we offer congratulations and condolences to the Imam of the age, Al-Hujjah ibn al-Hasan, may God hasten his honorable return, and his rightful deputy Imam Khomeyni, may God prolong his honorable life, and all Muslims in the world on the martyrdom of this glorious group of Islam's sons in Iraq.

When the Iraqi Mujahidin movement chose this sacred path, the path of the father of free men, Husayn ibn 'ali, may God's peace be on him, and the path

of all those who follow Husayn's way, and the path of the martyr authority, Al-Sadr, it knew well what it had chosen. It knew that this was the shortest way to achieve their goal, even if it was at the same time the most dangerous way. It also knew how much pure blood the heroes were going to sacrifice. We will continue to follow this path until the end and until we establish a government of divine justice on the chaste soil of Iraq.

Even if we have lost this group, the group of the valorous heroes, Salem Shalash Yusuf al-Lami, son of Al-Sadr, and his pious companions, we are confident that among our people there are groups without end. We will not be exhausted as long as injustice and the unjust have a foothold on Iraq's land. The execution of these heroes in front of the Iraqi masses will not succeed in inspiring terror in the hearts of the heroes of other groups or the souls of their people. On the contrary, this will increase the determination of these groups and the people to continue the path no matter how great the sacrifices.

O sons of Al-Sadr in Al-Sadr's Iraq, our heroic strugglers everywhere on the Muslims' battlefronts and inside the country. The 'Aflaqi regime would not have been compelled to announce the execution of these heroes, to show them on television, and to report some of their operations had it not felt that it is no longer able to hide and impose a blackout on the struggle of the sons of our people, and if things had not reached their farthest point.

The regime's admission that it has executed this group, consisting of such a number, and in such a way, is proof of the truthfulness of what we repeatedly say, namely, that the people--all their groups, and nationalities, the Arabs, the Kurds, the Turkmen, the Sunnis and the Shi'ites--and all their classes are against the regime.

On this occasion, the Iraqi Mujahidin movement renews the pledge to the happy martyr, Grand Ayatollah Al-Sadr, may his secret be sanctified, and all the martyrs of Islam, and the martyrs of this group, that it will not lay down its arms and will not tire or be exhausted. It urges all the sons of Iraq to escalate their military action on the fronts and inside the country until either victory or martyrdom is achieved.

[Signed] Iraqi Mujahidin Movement--the Military Bureau.

/12913

CSO: 4604/25

BRIEFS

BEHESHTI'S SISTER FLEES IRAN--Baghdad--AL-SIYASAH has learned that the sister of the Iranian leader Ayatollah Beheshti, chairman and founder of the Islamic Republican Party, sought asylum in Iraq a few days ago. The AL-SIYASAH correspondent says he expects that the sister of the late Iranian leader, Giti Beheshti, will hold a press conference in the next few days. The sister of Iranian President 'Ali Khamene'i had fled to Iraq to join her husband Ayatollah 'Ali Tehrani, member of the guardians of the constitution committee. [Text] [Kuwait AL-SIYASAH in Arabic 16 Jan 86 p 1 GF] /12913

LARGEST DAM PROJECT--Orumiyeh, West Azarbaijan Province, 31 January, IRNA--Minister of Energy Mohammad Taki Banki arrived here Thursday on an inspection tour along with ministry officials to inspect projects underway in different regions in this province. Speaking in an interview, Banki said preliminary studies as well as executive backing for construction of the Baroon Dam on Zangebar River in the city of Maku have been accomplished. The plan has been ratified by the Islamic Consultative Assembly (Majlis) and will commence next Iranian year (March 21, 1986) with a credit of rials 1.5 billion (17,647,000 dollars), he added. The Baroon Dam will be the first and largest dam-construction project to be undertaken by Iranian experts and engineers since the victory of the 1979 Islamic revolution, Banki added. Banki said that a man-made lake containing 120 million cubic meters of water will be dug along with the building of the dam and that 15,000 hectares of land will be irrigated in Maku plain and Poldasht. [Text] [Tehran IRNA in English 1802 GMT 31 Jan 86 LD] /12913

CSO: 4600/216

'STATE OF DEEP DISARRAY' DISCUSSED

Lahore VIEWPOINT in English 30 Jan 86 p 18

[Article by Ayaz Amir]

[Text]

TO ALL APPEARANCES, the Pakistan Peoples Party is in a state of deep disarray. Except for Baluchistan, which was never its stronghold, it is in trouble elsewhere.

It is no secret that the Sind party chief, Ghulam Mustafa Jatoi, is unhappy with certain decisions taken by Miss Benazir Bhutto and is reportedly refusing to release a list of provincial office-bearers issued by her. Meanwhile Maulana Ehteramul Haq Thanvi, whose role in the 1983 movement was questionable at the most, has mounted a revolt against Jatoi in which he seems to be supported by Makhdoom Khaliquzzaman, a radical among waderas who has recently come out of prison.

Jatoi has the support of the feudals but in a crunch the workers can be expected to side with Khaliquzzaman. This makes the former's position uncomfortable. Some people think he is being cut to size. But being a shrewd politician he has yet to utter a word in criticism of Benazir.

The Punjab

The situation is no better in the Punjab. Party figures close to Jatoi are understandably upset. There is also opposition to the provincial president, Jahangir Badar, who is considered too small a man for his post. There is a pro-Khar faction which has also been trying to stir up trouble. Except for Mukhtar Awan, who has been to jail several times,

this is an unsavoury group getting its cue from London.

In the Frontier, Gen. Nasirullah Baber is keeping his distance from the affairs of the provincial party which is unfortunate considering Baber's reputation as a man of considerable political judgment.

As for Gen. Tikka Khan, the Secretary-General, he has stood by the party in difficult times. His loyalty and steadfastness under fire are commendable. Any other office in the party, say that of vice-president, he could have filled admirably. But the post of Secretary-General, with the day to day tasks expected of it, requires perhaps the services of a slightly younger man. Incidentally, it is easy to have a stereotyped image of the General but he is a down-to-earth man with a soldier's bluff approach to political questions. For an Ex-C-in-C of the army, and knowing our C-in-Cs, his lifestyle is remarkably simple.

Gloomy picture

All in all, this is a gloomy picture of a party generally credited with being the only real alternative to the present Government. All the same, it is easy to exaggerate its troubles.

The PPP has borne the brunt of governmental repression since the military seized power in July 1977. Thousands of its workers have suffered harsh sentences including lashes and lengthy prison terms. Many feudals in its ranks have also had a

taste of prison which in a country noted for its spineless rich is no mean achievement. As for Begum Bhutto and Benazir, they have suffered personal bereavements, long spells in prison and, for the last few years, banishment from home.

In these circumstances the party's break-up and disintegration would not have caused any surprise. The phenomenon of retaining popularity after losing power has been unknown in Pakistan. Only the PPP has given it currency. It has retained its support and in the eyes of most independent observers, even increased it. The reasons for this are diverse but this is not the place to go into them. Suffice it to say that despite persecution and internal disorganisation it continues to pose a strong challenge to Gen. Zia.

True, there are many problems that the party has yet to solve. Building a strong organisation, establishing well-trained cadre, and bringing its manifesto in line with the aspirations of the people are the foremost among them. Admittedly, there is no room for complacency. But the situation is not as hopeless as it seems. Beneath the turmoil the outline of a new structure are beginning to emerge.

Younger people

Younger people are coming forward to fill party positions. The pace of change could be faster but at least these nascent developments are in the right direction. It is easy to sympathise with the old guard which is probably beginning to feel bypassed. But most of them have had their day. With a few honourable exceptions they did not come up to the mark in the hour of danger. This includes Mumtaz Bhutto, Pirzada and Khar. If Khar returns to Pakistan, and occupies high office in the PPP, he will succeed in driving away fresh blood from the party. Jatoi, too, has his good points but his brand of compromise politics goes against the grain of the majority of the rank and file. It is worth remembering that the call for party elections was raised in order to weed out feudals and waderas from the party. By design or accident that process has already started. Except for Farooq Leghari, Jatoi and Khaliq-uzzman, no other feudal remains in the Central Executive.

In short, the clouds are there but there is a silver lining to them. Or, as that old Maoist adage goes, "There is great disorder under the heavens and the situation is excellent."

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CSO: 4600/220

'DISTRESS SALES' OF PUBLIC SECTOR ENTITIES CRITICIZED

Lahore VIEWPOINT in English 30 Jan 86 p 7

[Text]

KEEPING PROMISES made to the more influential of Pakistan's loan-givers and policy-guides, the Federal Finance Minister has announced a major step towards what is described as deregulation of the economy.

Explaining the move to disinvest shares valued at two billion rupees, Dr. Mehboob-ul-Haq said that vast sums of money had been eaten up by the economic controllers in the public sector: hence, the need to stop this drain of national resources. He disclosed that a probe -- presumably by the Deregulation Commission whose findings are being kept secret -- had shown that a group of State functionaries acting as middle men had embezzled huge sums of money or wasted large funds -- on account of inefficiency in public sector agencies. If this is true, those found guilty of criminal negligence or defalcation should have been prosecuted; at the same time, the present clean Government should take steps to guarantee that in future there would be no waste or corruption in the public sector. There is no palpable evidence of any such effort: in fact, as threats of weeding out corruption remain confined to verbal jousts corruption spreads and its rate increases keep well ahead of the steady rise in inflation.

Corruption

If Government's new policy was guided by public interest, disinvestment would have started with the loss-making units, where inefficiency or worse had corroded the indus-

trial or commercial undertakings. Instead, a beginning has been made by getting rid of assets in companies which are treated as market leaders, because of their high profitability and good prospects. Then, who can dare to sny -- and Dr. Mehboob-ul-Haq has sensibly not done so -- that the private sector comprises knights in shining armour who will not ever let their escutcheons be smeared with the blot of malpractices or underhand deals. In truth, the Doctor seems to be acting on the PIDC philosophy of setting up undertakings, bearing losses with public money, and then handing them over to Pakistan's pampered Money Bags. It is part of the overall policy pursued by the present regime to introduce the laissez faire economy in Pakistan and link it to the Western world.

Foreign advice

The new policy has been devised under advice or instructions from the Pakistan's foreign economic partners who have demanded a series of measures, including deregulation, if Pakistan expects an increase in their

BY LINESMAN

quantum of loans -- bigger loans to cope with the burden of the big loans negotiated earlier, so that some disbursal of funds is possible after the servicing of old debts. The second major motivation for this

ill-advised design is that Government wants to persuade Pakistan's capitalists to divert their investments to the home country. All previous incentives having failed because of the entrepreneurs lack of entrepreneurship, they are now being offered guarantees of quick and high profits through shares in lucrative State-owned companies.

And let it be seen that this so-called deregulation is an usual way of dealing with the problem of resource shortages. Instead of reducing expenditures, rationalising taxation, raising production, cutting trade deficits, the easy path has been chosen. Government has decided on making distress sales of its best assets. No new investments will be made; no new industry set up. The profits now flowing to the Exchequer (to be utilised in public interest) will go into private hands. Who gains from the quaint decision?

The grim consequences of this short-sighted policy will be seen in the next few years. Most independent experts believe that it will benefit only a few individuals, but slow down or distort further the country's economic development, increase its debt burden and dependence, and weaken the sectors that can help to lay the foundations of a stable, secure and prosperous economy.

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CSO: 4600/220

COMMENTARY DISCUSSES ISSUES INVOLVING STATUS OF WOMEN

Lahore VIEWPOINT in English 30 Jan 86 pp 9-10, 33

[Text] "Women in Pakistan in general are dehumanized and exercise little control over either themselves or on affairs affecting their well-being. They are treated as possessions rather than as self-reliant, self-regulating humans. They are bought and sold, beaten and mutilated even killed with impunity and social approval. They are dispossessed and disinherited in spite of legal safeguards. The vast majority are made to work for as long as sixteen to eighteen hours a day, without any payment." (Report of the Pakistan Commission On the Status of Women)

ARE ALL Government-commissioned reports fated to be packed away in dark shelves of some department to gather dust? So it would seem, for the reports of the Pakistan Commission on the Status of Women (1985) and the Women's Rights Committee (1976) have not been made public, and neither does there appear to be any likelihood of either of them seeing the light of day.

What could be the reasons for ignoring the reports on women's status? Is it that they were commissioned to defuse an uncomfortable situation created by vocal demands of women and women's organizations, by their demands to correct the inequities and injustices they suffer in society? — A safety mechanism not to be taken seriously?

Or, is it that the revelations in the reports cause embarrassment to those in power? Certainly, both reports are candid in their review of the status of women in society and their exposure of the prevailing social, political and legal orders.

Or, maybe, because of the informative and educative contents of the reports? The less the women know the better it is from the establishment's point of view?

Or, perhaps it is not considered politically expedient to make public the reports for fear of the conservatives and fundamentalists being offended.

Perhaps, a combination of all these factors has led to the shelving of the reports, at least of the 1985 one. In the process women and their concerns have been relegated to the background, thus reflecting the attitude of those in positions of power towards women — a section of the population to be ignored, subjugated, to be compromised over.

Notwithstanding the Government decision to make the Pakistan Commission on the Status of Women (PCSW) Report public or not, it is imperative that its recommendations regarding laws affecting women be made available to women and the public at large. This is critical at this juncture because the proposed 9th Amendment Bill seeks to remove the protection given to the Family Laws Ordinance under Article 203(b) and opens it for review by the Shariat Court under powers given to it through the proposed amendment to Article 203(d). Whereas the review of any law *per se* cannot in itself be considered wrong, the narrow, bigoted and rigid interpretations by those

at present in power (and for whom the Family Laws seem to be the prime target) can only spell doom for women. The fears are that the minimum marriageable age for women will be reduced (as per the Council of Islamic Ideology recommendation for the minimum age to be brought down to puberty); the restraining provisions of the Ordinance against polygamy will be rescinded; the issues of maintenance and custody of children rendered more complicated; and the right of a grandson with deceased father to inherit from the grandfather's property declared null.

Background

Women's organizations and women have long been demanding the formation of a women's commission to identify major problems facing the women and to suggest possible remedies. While the pressure for such a body during the International Women's Year (1975) led to the formation of Women's Rights Committee under the chairmanship of Yahya Bakhtiar (which submitted a report in 1976), the demand in the subsequent years was for a permanent commission to be

chaired by a woman and composed largely of women belonging to non-governmental organisations. However, it was a one-shot commission which was finally established in July 1983, after the women's issue had been catapulted on the centrestage of political activity following discriminatory attitudes, rules and laws of the Martial Law regime and women's organised resistance to them. The 16-member Commission (besides five ex-officio members) had 13 female and three male members and was headed by Begum Zari Sarfraz of the NWFP. Interestingly, the President in October 1980, at the National Conference of Muslim Women, had suggested a "permanent high-powered body to formulate policies for progress and welfare of women," but later on he decided to nominate a limited-term Commission.

The nomination of the Commission was received with suspicion and reservations by most women's organisations (specially WAF), largely because of its terms of reference which included the task amongst others, "to ascertain the rights and responsibilities of women in an Islamic Society and to make recommendations to the Federal Government for effective safeguards of women's rights."

The view of the women's organisations was that the rights and responsibilities of women were already determined in the Constitution of Pakistan, therefore, there was no need to "ascertain" them all over again. Furthermore, the suspicion was that the Government may use the Commission to enhance and endorse its version of laws affecting women or manipulate it to project its point of view. In other words, the Commission might not be able to maintain its independence.

Such a view gained substance with the Commission's official greetings to the President on his winning the referendum in Dec, 1984 which led to one member, Anis Mirza's resignation. Also its Chairperson's alleged statements in Delhi on the occasion of the NAM meeting on women evoked sharp responses from organizations in Pakistan for misrepresenting reality.

But the finally-submitted report has defied the above reservations to a large extent. It very substantially

and accurately portrays the position of women in Pakistan. It pinpoints the roots of women's exploitation as "the persistence of a patriarchal and authoritarian mode of social organization, based on supremacy and domination of the male over the female in most spheres of social life. . . women. . . are brought up in the belief that women are by nature subservient to men. . ." (p. 123). It highlights the discrimination against women in employment, politics and the law, particularly the recently enacted and proposed laws (Laws of Evidence, Haddood and Qisas & Diyat). Finally, it has made suggestions and recommendations for the amelioration of women's position and for equal opportunities "Woman has a right to work, to enter into contracts of all sorts, to buy and to sell in no way different from what can be done by a man (p. 147), and removal of evil practices (dowry, forced marriages, bride price, 'Watta satta', etc.). Some of its recommendations are indeed radical, for instance the one whereby maintenance of a wife after divorce is forcefully advocated and is justified as being in accordance with the spirit of Islam.

For the compiling of the Report the Commission met with women's organizations, women belonging to different classes, professions and areas; took the opinion of scholars and experts of Islam; and used available data and studies/reports on women. It has also had to justify all its positions with the Islamic argument — almost a necessity in the present-day environment.

On Discriminatory Laws

It must indeed be awkward for the Establishment to find its own hand-picked Commission being critical of the legislation promulgated in the name of Islamization. Regarding the Law of Qisas and Diyat (passed by the Majlis-e-Shoora but not yet enacted as law), the Commission states that it "is convinced that the *diyat* of a woman is equal to that of a man". The argument in support is exhaustive and is based on tenets of Islam as enunciated in the Quran, 'hadith' and the work of leading Muslim jurists

(pp 140-144). Furthermore, the justifications given by the proponents of this discriminatory law are countered by placing it in the context of the present-day reality in Pakistan, where women participate in production, and are often the sole income-earners. While taking up the issue of *diyat*, the Report, however, does not discuss elimination of women's evidence in case of murder liable to *Qisas*.

On the Law of Evidence (promulgated in October 1984), the Commission's view is that "the new Law of Evidence which claims at having been made to reflect Islamic injunctions, succeeds only in overstepping the Quranic injunctions. . . ." (p. 144). It goes on to say that "the essential principle for testimony in Islam is intelligent observation, good retention and clear and truthful reproduction. Such testimony is not connected with the sex of a witness. No right-minded person can accept that the testimony of a rustic, uneducated male of mediocre intelligence could, by virtue of his sex, be superior to that of an educated, intelligent, honest and articulate female witness" (p. 147). The Commission strongly recommends that the law be re-examined and revised to remove the provisions "inherently prejudicial" to women.

Regarding the Hadood Ordinance, 1979, the Commission says that the law reflects "a derogatory view developed during later days under the influence of non-Islamic, socially oppressive alien cultures. . . . These laws. . . neglect to take note of modern-day intellectual and social development of women and impinge

on basic human rights enjoyed by women in the contemporary world." (p. 148). Taking a serious view of the Ordinance's discriminatory clauses, which exclude woman's evidence in the case of theft, *qazf* (false accusation) and adultery, it points out the shortcoming of the law whereby no distinction is made between adultery and rape. The Commission also underscores the injustice being suffered by women who have been punished and whipped in cases where the male accused have been let off. Asserting that giving evidence is a woman's basic right, it states that by excluding the testimony of women and non-Muslims in Hadood offences, the rights of women and minority communities have been violated. Therefore, it urges the Government to revise the law and make it just.

As for the Family Laws Ordinance, 1961 (Muslim Personal Law) the Commission obviously was not aware that it would come up for review and be under threat of being repealed. It seeks improvements in the existing Family Laws and effective implementation and execution of it. It rejects polygamy as an institution based on a misinterpretation of the "basic thrust" of the Quranic teachings and emphasises that polygamy is still practised in the tribal areas, Baluchistan and Sind and results in unequal and cruel treatment of women. The Commission has decried the denial of the right to maintenance in cases of divorce, the delays in cases of *talaq* (divorce), *khula* (divorce sought by woman), and custody of children, and recommends the setting

up of more family courts with adequate number of trained judges. It further recommends that a national fund be created to finance the maintenance of children involved in custody disputes. The expenses can be recovered from the father after the dispute has been legally resolved.

The Qanoon-e-Shahadat and Hadood Laws cannot be challenged in any court of law (even when they are in contradiction with constitutional provisions) by the passage of the Eighth Amendment. The Amendment by introducing Article 270-A in the Constitution has validated all Presidential Orders, MLOs, Ordinances, etc. as laws enacted by Parliament, which cannot be challenged at all, thus giving them supra-legal status.

The proposed Ninth Amendment is now threatening women with the possibility of opening up the Family Laws for review which in the present environment can only spell disaster. An intense and prolonged struggle by women had led to the formation of Justice Rashid's Commission in 1955 and it was not until 1961 that its recommendations were formalized in the Family Laws Ordinance. Symbolizing one of the few successes of the women of Pakistan, it has remained the target of attack from the obscurantist and fanatic maulvi. It is indeed shameful that in the atmosphere of mendacity prevailing in Pakistan, those who verbally espouse their commitment to equal rights of Pakistanis do not stand up against the open discrimination against women — both inside and outside the assemblies.

/9274

CSO: 4600/220

BRIEFS

DEPUTY CHAIRMAN OF SENATE--Islamabad, Jan 23--Malik Mohammed Ali Khan was elected Deputy Chairman of the Senate, on the opening day of its fifth session here on Thursday. Malik Mohammed Ali polled 48 votes as against his rival Ahmed Mian Soomro's 20 votes. The office of the Deputy Chairman had fallen vacant following appointment of Makhdoom Sajjad Hussain Qureshi as Governor of Punjab. The chairman of the Senate, Chulam Ishaq Khan, who announced the result of the polling, felicitated Malik Mohammed Ali on his election and expressed confidence that he would be able to acquaint himself properly of his new responsibilities due to his political and Parliamentary experience. He assured him of his full support in the discharge of these responsibilities. Ahmed Mian Soomro also extended his greetings to Malik Mohammed Ali Khan. Malik Mohammed Ali later took oath of his office. Chairman Chulam Ishaq Khan administered the oath to him. The Chairman also administered oath to Sheikh Ehsanul Haq Piracha, who was declared elected to the Senate by the Election Commission of Pakistan. [Text] [Islamabad THE MUSLIM in English 24 Jan 86 p 17 /12851

COMPLAINT ON LEAGUE'S ROLE--Lahore, Jan 24--S.M. Zafar, Secretary General of the Pakistan Muslim League has said that it was an established principle that the parliamentary party always functioned under the discipline of the political party, but in the case of the Pakistan Muslim League, this principle had been reversed, and every effort was being made to bring the entire party under the domination of the newly born Parliamentary Group. In a statement, he expressed sorrow, over this development, as all this was happening in the presence of veteran and seasoned Muslim Leaguers. He said that this exercise would result in nothing but disappointment for the workers and the failure of the system. He warned that if the proceedings of the Muslim League meeting of January 18, were to be given finality, then its responsibility would rest upon those old Muslim Leaguers, who were present and had participated in the illegal proceedings. The Secretary General of the Muslim League said that he had consulted the workers of the Muslim League, and they were prepared to co-operate with Mr. Junejo regarding reorganisation, but they could not endorse the proceedings of January 18, through which the party had been confined to members of the National Assembly. He said that it was unfortunate that suggestions made by him to the Prime Minister, were not given any weight. [Text] [Islamabad THE MUSLIM in English 25 Jan 86 p 67 /12851

JI SAID OFFERED MINISTRIES--Quetta, Jan 24--Hafiz Suleman Butt, member National Assembly has said that Junejo Government has offered Ministries at Federal and Provincial level to the Jamaat-e-Islami. Addressing a Press conference Thursday he said the Jamaat would consider the offer in its central Shoorah on 28th of January at Lahore. He also predicted mid-term polls by March 1987. However, he said if the political parties including MRD did not register, the government would debar them from taking part in that election. [Text] [Islamabad THE MUSLIM in English 25 Jan 86 p 6] /12851

CALL TO DIVIDE PUNJAB--Multan, Jan 24--Qari Noor-ul-Haq Qureshi, convener of Seraiki Province Front has demanded for the division of Punjab in three administrative units of Seraiki, Potohar and General Punjab. Addressing a Press conference here the other day he said, that Nawabs and feudal lords of southern Punjab like Nawab Mushtaq Ahmed Khan Gurmani, Mian Ibrahim Barqi, Nawab Sadiq Hussain Qureshi, Nawab Sajjad Hussain Qureshi, Malik Ghulam Mustafa Khar and Abbasi family had exploited the people and treated them as slaves. He put forward his demands and appealed to the government to accept them immediately. [Text] [Islamabad THE MUSLIM in English 25 Jan 86 p 6] /12851

POPULATION PROJECTION FOR ISLAMIC COUNTRIES--Karachi, Jan 24--The population of 44 member countries of the Organisation of Islamic Conference (OIC) which was estimated at 675 million in 1982 is projected to grow to 1.2 billion in the year 2000. According to a study by SESRTCIC (Ankara based statistical economic and social research and training centre for Islamic countries), the OIC member countries not only individually, but also as a group, suffer from high infant mortality rates, low life expectancies at birth high crude death rates and high population densities. SESRTCIC's findings show that despite all this, the OIC member countries experience high growth rates of population, mainly because of excessive crude birth rates. Furthermore, the prospects for these trends to be reversed are not very bright, considering the very long periods required for the key demographic indicators to stabilise themselves in a way that would favour the attainment of a state of stationary population. The study quotes UN Fund for Population Activities (UNFPA) conjecturing a zero growth rate for population in the last of the OIC members to be attained by the year 2155. [Text] [Islamabad THE MUSLIM in English 25 Jan 86 p 8] /12851

AMENDMENT ON LOCAL BODIES--Lahore, Feb 5: The Punjab Government has amended the Punjab Local Government Ordinance, 1979 as a result of which a member of a Local Council can now be a member of a political party, says a handout. The amendment shall [be] deemed to have taken place from Dec 30, 1985. [Text] [Karachi DAWN in English 6 Feb 86 p 1] /9274

CSO: 4600/220

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